

Malaysian economic recovery 'under way'

By Wong Suetong in Kuala Lumpur

BANK NEGARA, Malaysia's central bank, said yesterday that the country's economy, which has suffered a recession in recent years, was experiencing a broad-based recovery...

The bank said that getting local investors to invest required political courage on the part of the Government. It would have to keep public expenditure in check so that government activities did not drive out private enterprise...

The bank said growth for the Malaysian economy this year was expected to be export-led. Exports are expected to remain buoyant, although commodity prices are likely to soften a little.

The manufacturing sector is expected to contribute 23.5 per cent to GDP, replacing agriculture as the biggest component in the economy. Last year, exports rose strongly by 26 per cent to Ringgit 44.5bn, while imports rose by 12.5 per cent to Ringgit 29.5bn.

Angola spurs talks with rebels

THE ANGOLAN Government has hotly denied suggestions that it is prepared to make a radical change of policy and negotiate with the Jonas Savimbi-led rebel movement...

Controversy arose in Lusaka, the Zambian capital, this week when Dr Henrique Bontros Gbali, the visiting Egyptian Minister of State for Foreign Affairs, was reported to have said that Dr Savimbi and President Jose Eduardo dos Santos of Angola had both told him they were prepared to talk to each other in the absence of foreign intervention.

Philippine rebels held

The Philippine military yesterday captured at least two top officials from the banned Communist Party in the second arrest of leading guerrillas this year...

Japanese output up

Japan's continued economic expansion was underlined in industrial production figures for February. Carla Rapoport reports from Tokyo. Seasonally adjusted, production increased by 2.3 per cent in February compared to January and 1.5 per cent over the same period in 1987.

Kabul offers to accept rebel demand for coalition

AFGHAN President Najibullah yesterday offered to implement rebel proposals for a coalition government if the Moslem guerrillas ended their war against the Soviet-backed regime. Reuters reports from Islamabad. "We can implement your proposal for a coalition government," he said in a broadcast on Kabul Radio, monitored in Islamabad.

Israel jeopardises rule of law in its repression of Arab uprising

IF THE first casualty of war is truth, the second - especially in the case of a civil uprising, such as that in the Israeli-occupied territories - is the rule of law. Over the past 10 days, at least a thousand Palestinians have been arrested by the Israeli security forces. Most were taken from their homes in the middle of the night, beaten, and transported blindfold to makeshift detention centres in army bases and requisitioned Arab schools.

Andrew Whitley reports from Jerusalem on how Palestinian militants are dealt with

"detention" orders, committing them to six months imprisonment without trial. Among them was Mr Rafi Sourani, 33-year-old Gazan lawyer, who previously served nine months in jail without trial two years ago, on suspicion of being a member of the Popular Front for the Liberation of Palestine.

Jonathan Kuttub, a US citizen who helps run a civil rights organisation in Ramallah called Law in the Service of Man, are unanimous that the outcome is near farcical. In one trial in Nablis last January, a 15-year-old boy accused of throwing stones was persuaded by the judge to plead guilty on his third appearance before the court, even though the prosecution had been unable - twice - to provide witnesses, and the boy had declared his innocence.

Undeterred, the army is confident its new tactics are working. "We're picking up all the phums," boasted an Israeli friend, a reserve officer back from his stint of duty in the West Bank. Among these "real hardliners" was the 14-year-old son of a Palestinian friend, in Bethlehem. Towfiq, a religious boy whose family has always been careful to shield him from peer-group pressures to get involved in confrontations with the army, was arrested and beaten up after attending a Palm Sunday church service in Bethlehem.

But the result of this all-out blitz is that Israel's rough-and-ready system of military justice, open to considerable question in normal times, appears to be coming under great strain. So many Palestinians have been arrested in recent weeks that hundreds have been sent to Israeli jails, a contravention of the Geneva Conventions governing occupied territories. Obtaining precise information on those being held by the army is almost impossible. A military spokeswoman said last week she was unable to provide any details on detentions or prison facilities.

But the unrest has become so widespread and generalised that in many West Bank villages almost every teenager is in practice a suspect. Among those known to have been held are children as young as 12. The few who have been released say that after arrest they are routinely subject to sensory deprivation and other abuse in order to force confessions. Out of 760 unrest-related cases concluded as of March 2, fewer than 20 defendants were acquitted; a remarkably low "failure rate" which Brig Gen Amnon Straschnow, the military Advocate General, attributed to the "good evidence" accumulated by the prosecution.

Gen Straschnow said the average jail sentence for stone throwing was three to six months although one defendant received 14 months. The throwing of home-made molotov cocktails is treated more severely. Even though no injuries had resulted from his action, one young Palestinian was sentenced to a four-year term on this charge. A government-appointed inquiry into the interrogation methods of the Shin Bet, the domestic secret police, last year authorised the use of "a reasonable amount of force". "The blows. The humiliation. I saw them when they got to me wet, covered with mud and bruises, with their hands bound and their eyes blindfolded. I saw the marks left by blows on their hands, their legs, their backs and sometimes on their heads. The soldiers have learnt to mete out blows that leave marks and considerable pain, but which do not do damage," said the doctor, who had just completed his compulsory reserve duty at "Ansar 2", a notorious prison camp in the centre of Gaza City.

Israelis jailed for burying Arabs

TWO Israeli soldiers received jail sentences of four months and five months yesterday for burying alive four Palestinians with a bulldozer in an occupied West Bank village, an army spokesman said. Reuters reports from Tel Aviv. A military court in Jaffa said the incident in Kaf Sulem near Nablis last month "had discredited the army and portrayed the state of Israel in a negative light."

The four Palestinians were forced to lie on the ground and troops ordered that a bulldozer cover them with earth. Villagers later dug out the men, two of whom were unrecognisable. The court jailed Pte Yair Nissim for five months with seven months probation and Pte Dror Sam-Cohen for four months with six months probation, the army spokesman said. Their sentences begin on April 5.

The court rejected a prosecution offer to halve these sentences in return for the soldiers' admission of guilt. "Even in difficult situations it is important to retain one's humanity," Israel radio quoted the court as saying. "They carried out an illegal order. A soldier must be able to differentiate." A third soldier, Sgt Charlie Darlino, who pleaded not guilty, still faces trial.

Chun's brother denies charges

THE brother of former South Korean President Chun Doo-hwan yesterday denied charges that he had stolen millions of dollars in official funds but prosecutors said they had strong evidence incriminating him, AP writes from Seoul. One of Mr Chun Kyung-hwan's close associates tried to kill himself while being questioned and arrest warrants were issued for five people for alleged involvement in the scandal. "He keeps denying all charges,

Community) development movement, which he headed for seven years, the prosecutors said. They said he is suspected of using the money for various personal projects, land speculation and stock purchases. He could face more than five years in prison. Prosecutors summoned the younger Chun yesterday morning for questioning about allegations that he had abused power to exact cash donations from businessmen and have the Government divert funds for Saemaul (New

Warning over Tibet clampdown

By Robert Thomson in Peking

THE Panchen Lama, a Tibetan spiritual leader, highlighted the division in the Chinese leadership over Tibet policy by condemning senior officials who advocate a clampdown in the region following a series of pro-independence protests.

During a discussion yesterday with Tibetan delegates to the National People's Congress, the Chinese parliament, the Panchen said that Communist Party officials who want to tighten control over religion and close monasteries are "totally wrong".

The Panchen, second in spiritual rank to the exiled Dalai Lama, has a ambiguous figure, having supported Communist Party policy in the region, yet occasionally condemning Chinese officials for their limited understanding of Tibetan culture. He warned yesterday that officials must not repeat the "leftist" excesses of the past, which was a reference to the destruction of temples and imprisonment of monks during the Cultural Revolution (1966-1976).

However, he also made clear that the Chinese Government would not tolerate foreign criticism of Tibetan policy by saying that the matter was a "family affair". After the debate he told foreign journalists that four people had been killed on March 5 during the last pro-independence protest: a police officer, a monk and two civilians. Until yesterday the Government had only confirmed the police officer's death.

He showed his allegiance to the party line by condemning a "handful of separatists" for orchestrating the protests, and he said that "we are all Chinese, and all nationalities in China are equal and should unite as one in building a strong motherland". But he also admitted that "some problems do exist in our nationalities work".

Mr Yang Shangkun, a senior Chinese military officer and vice chairman of the Central Military Commission, yesterday foreshadowed a major overhaul of the People's Liberation Army, which has already been reduced from six to five million. Yang, who is expected to be named president in coming days, said that a "more comprehensive plan" must be adopted in the modernisation of the military, but he did not reveal details of the new reforms. Senior officers of the PLA, which has had a declining political role in recent years, are known to feel that the Government has neglected the military in its quest for economic development.

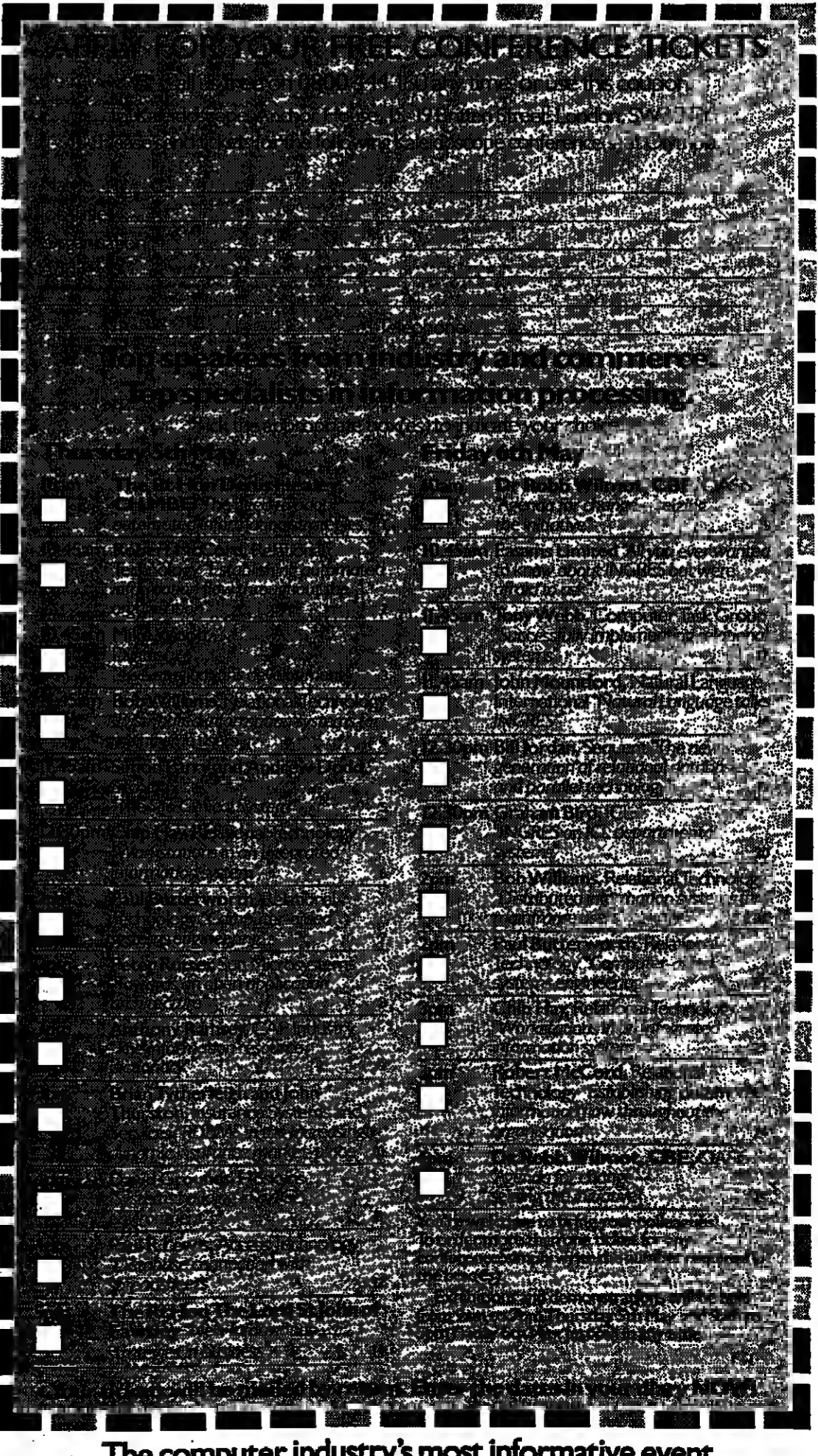
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AMERICAN NEWS

US economic indicators rise 0.9% in February

BY ANTHONY HARRIS IN WASHINGTON

US index of leading indicators rose by 0.9 per cent in February, the Commerce department announced yesterday. Current reports suggest the recovery in the economy, and especially in consumer demand, is being carried further in March. However, the fall in the index in January, previously put at 0.6 per cent, was revised upwards to 1.1 per cent, on information that there was no growth in commercial credit during the month. The rise in December was revised upwards to 0.4 per cent, bringing the total change over the last three months to 0.2 per cent. The strongest bullish factor in February was the recovery in new building permits. A fall in unemployment claims, the rise in stock market values, sustained money growth and new orders for manufactures also contrib-

uted to the rise. However, slowing deliveries, a fall in the average hours worked weekly, and in constant-price contracts for plant and equipment all suggested a weaker economy. There are some signs that the buoyancy of the economy has improved in the current month. The latest measure of consumer confidence from the University of Michigan shows a full recovery to the level ruling just before the stock market crash of October 1987. This index has been recovering steadily over the last three months, but has so far been reflected only in strong car sales. Currently, however, retail stores are reporting a recovery from the disappointing level of February sales, and there are also indications that the recovery to private housebuilding is accel-

erating. This is concentrated entirely in single-family homes the market in apartments and condominiums is likely to remain depressed for some time yet, as demand catches up with the very heavy building programme stimulated by the personal tax incentives available under the 1981 tax reform, but withdrawn in the 1986 reform. The bond markets, which have recently been showing some signs of alarm at the vigour of the economic recovery, are likely to suspend judgment until the publication of the employment figures at the end of this week. The rise in employment reported last month created some shock, and unless the new figures show that it was a statistical aberration, the market fears of overheating in the US economy will be reinforced.

Garcia backs down on bank takeover

By Barbara Durr in Lima

AFTER five long months of hickering over the nationalisation of Peru's largest private bank, the Banco de Crédito, the Peruvian Government finally decided the issues of the bank's ownership. It will now recognise the sale of 51 per cent of the bank's shares to its workers and consider the bank "self-managed" by its employees.

President Alan Garcia announced his intention last July to nationalise ten banks, six finance companies and 17 insurance companies. The move provoked a storm of criticism.

After a long debate in Congress, the law was promulgated in October. But the only institutions seized by the Government were Peru's two largest private banks, the Crédito and the Banco Wiese. These were taken over force, with riot police using a small tank and tear gas.

The situation of the Crédito was complicated for the Government by the purchase by its employees of 50.25 per cent of its shares to fund off the nationalisation. Since then, the Government has attempted to thwart the sale legally, but President Garcia has now decided to acknowledge the employees' purchases.

The only bank taken over to date by the state is the Wiese, which is challenging the move through the courts. Earlier this week, however, the Minister of Economy and Finance, Mr Gustavo Saborin, promised to proceed with the nationalisation law.

The ministry has deposited cheques that are reported to cover the remaining shares in the Crédito and the Wiese available for nationalisation. Only shares owned by larger shareholders above the law's limit of 40 tax units per person can be expropriated. This would give the state approximately 50 per cent of the Crédito and a majority share of the Wiese.

It remains unclear if or how Mr Garcia will move on the remaining banks and other financial institutions.

Modest Caribbean growth forecast

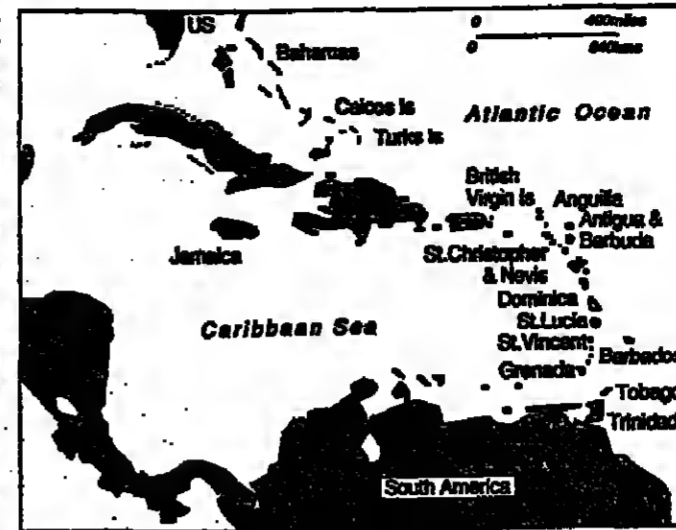
BY CANUTE JAMES IN KINGSTON

COUNTRIES in the English-speaking Caribbean will achieve modest economic growth this year after growing on average by 3.5 per cent last year, according to a review of regional economies by the Caribbean Development Bank.

The bank, based in Barbados, said last year's growth was the result of expansion of tourism, agriculture and construction. It said this would have been higher but for reductions in sugar import quotas by the US. The CDB finances development projects in 17 English-speaking states, and is supported mainly by the US, UK, Canada, France and multilateral financial institutions.

The highest growth rate last year was 8.7 per cent recorded by Antigua, while Trinidad and Tobago's economy contracted by 2.3 per cent. Other economies achieved rates of about 5 per cent.

The CDB forecast that exports from the region would be hit by higher rates of inflation and slower growth worldwide. It suggested that the region's debt



obligations would force a cut in imports, while efforts would be made to hold on to markets and to find new ones. The growth in the region's economies was fuelled mainly by expansion of tourism, which grew last year by 10 per cent in terms of volume of visitors, and by expansion in agriculture and construction. Sugar production declined by 13 per cent to 656,000 tonnes due to poor weather, increased production costs relative to returns, the effects of the cut in US sugar import quotas, and general uncertainty over the region's

sugar market prospects, the review noted.

The US government has progressively reduced sugar import quotas, with the latest allocations for this year reflecting a 25 per cent reduction for the Caribbean. Both Jamaica and Guyana, the leading bauxite producers in the group, recorded increases in production, with Jamaica's growing by 13 per cent and Guyana's by 1 per cent.

The bank said, however, that Guyana's production of calcined bauxite increased last year by 7 per cent to reach 526,000 tonnes. Guyana and the People's Republic of China dominate the world market for calcined bauxite.

Petroleum output in Trinidad and Tobago, the leading producer in the group, fell by 6.3 per cent last year, said the CDB. The review said manufacturing experienced a mixed performance, with Trinidad and Tobago's sector expanding by 19 per cent. Inflation rates also varied widely, ranging from 35 per cent to Guyana to 11.4 per cent in Trinidad and Tobago to zero in Grenada.

Panama seeks Latin America aid

By Tim Coone in Panama City

PANAMA'S embattled strongman, General Manuel Antonio Noriega, is seeking political and economic support from other Latin American states for his government.

At an emergency meeting in Caracas, Venezuela, of the Organisation of American States, the Panamanian Foreign and Planning Ministers appealed to 25 Latin American countries for food and economic aid and assistance to begin printing Panama's own currency.

If Panama were to print its own currency, it would signify the most profound economic change in the country's history. Since it was founded in 1903 Panama has used the US dollar.

Gen Noriega appeared to be entrenching his position yesterday with the arrest of over 30 opposition leaders, following attacks on the foreign press and the break-up of an opposition march in Panama City.

Dr Arias Calderon, the leader of the opposition Christian Democrats said: "It is my impression that the government is trying to make any dialogue impossible."

Li to buy Vancouver site

BY DAVID DODWELL IN HONG KONG

LI KA-SHING, one of Hong Kong's wealthiest businessmen, is understood to have been offered Vancouver's 84-hectare Expo site for C\$30m (\$24m).

Mr Li, who controls the Hong Kong property company Cheung Kong, and Hutchison Whampoa, which has interests ranging from ports and property to telecommunications and oil, is expected to spend a further C\$20m developing the site into a high-density mixture of offices, homes and shops.

The decision is expected to arouse protests in Vancouver, both from environmentalists alarmed at the site being developed into a "mini-Hong Kong," and from increasingly vocal opponents of the growing migration from Hong Kong to Canada's west coast.

Mr Li refused to comment yesterday on reports that he had succeeded in his long-contested bid to develop the site. This is understood to be from fear of provoking more antagonism.

It is unclear when the British Columbia government will confirm a decision understood to have been made last week. There appears to be no dispute that Mr Li's offer for the site is by far the highest. The highest Canadian offer - from BCR Development Corporation - was barely half as much.

Bogota's legal chief quits

BY SARITA KENDALL IN BOGOTA

COLOMBIA'S Attorney General has resigned following reports that his brother is linked to the Medellín cocaine cartel.

Mr Alfredo Gutiérrez became Attorney General after his predecessor was murdered by drug traffickers in January. Immediately after his appointment, he made controversial suggestions about negotiating with drug gangs and legalising cocaine.

Four weeks ago, an aircraft stolen from a Bogota military air

base landed on a clandestine air strip after the Colombian Air Force gave chase. The strip was just outside the boundary of a ranch belonging to Pablo Escobar, reputed chief of the cocaine cartel.

The land had been bought from Escobar's associates by Libardo Gutiérrez, the Attorney General's brother, and registered only eight days earlier. In his letter of resignation, Alfredo Gutiérrez said he deplored his brother's conduct.

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To be fair, our American guest did give us a clue.

"It's a Mercedes," he told us. No kidding. Just like the other 999 taxis cruising the streets of Jerusalem.

In such circumstances, the majority of staff in the majority of hotels might, understandably, have offered sympathy and very little else.

Fortunately for the owner of the broly, he was staying at the Sheraton.

And although the odds of finding a needle in a haystack were slightly shorter, this didn't deter our doorman.

To him, the lost umbrella came as a personal challenge.

With the chances of finding it slim by anyone's standards, he was on the case.

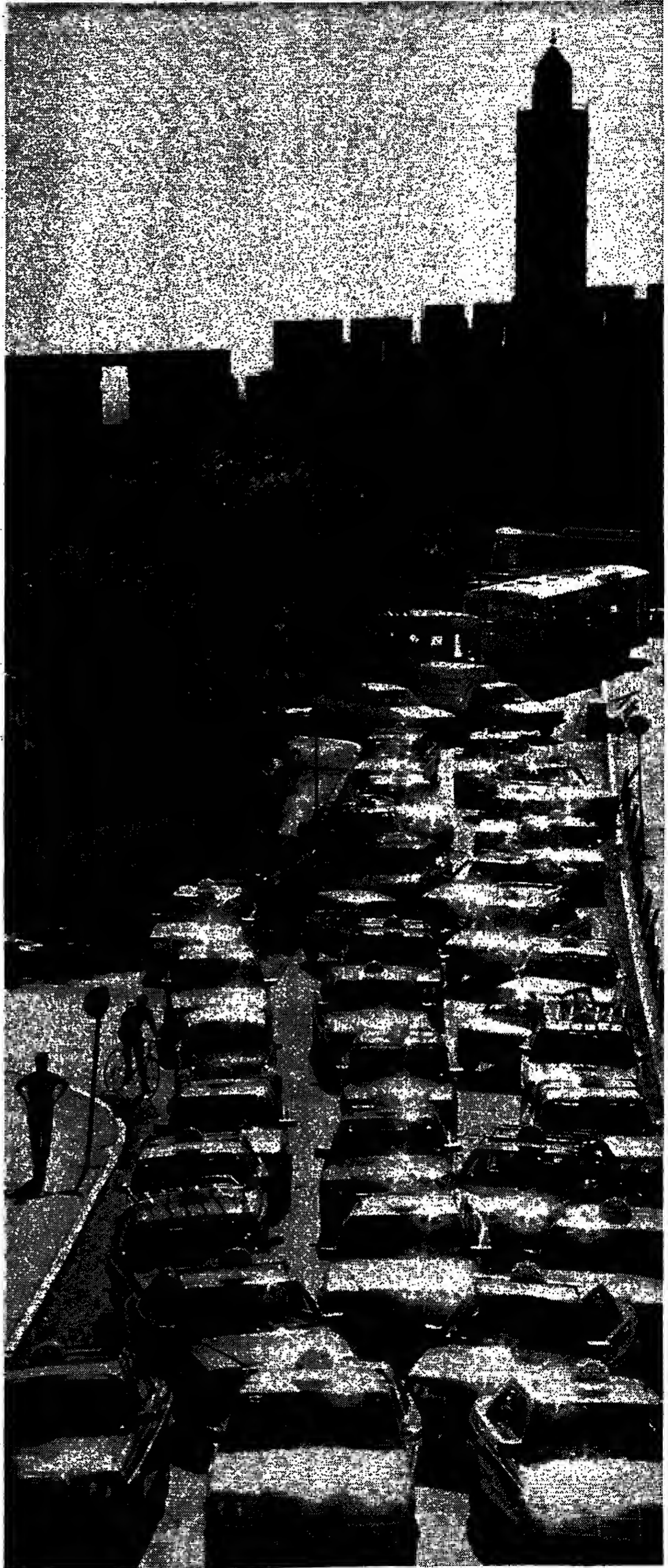
Two days later, the taxi was located and the broly returned to its incredulous owner.

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WORLD TRADE NEWS

ADB backs Philippine telephone loan

By Richard Gourlay in Manila THE Asian Development Bank has approved a \$25m (213.8m) loan to Philippine Long Distance Telephone, the country's dominant telecommunications company, for modernisation and expansion of its exchange and telephone system.

The loan will help finance the first part of what the company hopes will be a \$1m expansion programme over five years to improve the services and meet the growth in demand. The Government has already approved \$365m of the programme, for which international equipment suppliers tendered last month.

It is the Manila-based bank's first loan in the Philippines to a private sector company and will carry commercial interest rates. The total cost of the project is \$100m, half of which is for development.

Part of the loan will finance a 10,000-line digital telephone exchange in the part of Manila where strains on equipment had cast doubt on whether the ADB would be able to open its new headquarters next year as planned.

FLDT has a virtual monopoly of telephone traffic to the Philippines and is by international standards a highly profitable company.

The country has one of the lowest telephone-to-person ratios in Asia. The Government has designated the sector a priority growth area in order to ensure infrastructure is available for industrial development, but also to reduce the isolation of some rural areas.

US order for BAe Jetstreams

BRITISH Aerospace has won an order from NPA, of Pasco, Washington for six more Jetstream twin turbo-propeller aircraft, with an option on up to 24 more aircraft. Michael Doane writes. NPA already operates 10 Jetstreams. The value of the deal has not been disclosed.

NPA flies as United Express, feeding United Air Lines' major hubs at Seattle and Portland in the US Pacific North West.

Robert Thomson describes a flourishing economic relationship with tricky regional political implications

Trade between China and South Korea on the rise

WHEN A CHINESE vice-premier, Mr Tian Jiyun, hinted that direct trade with South Korea would inevitably be approved and that its investors would be welcomed, foreign investment officials in Shandong were delighted. Their province stares across the Yellow Sea at the Korean peninsula, and they believed the money would be flowing their way.

A senior Chinese trade official has confirmed that it is only a "matter of time" before the country formally does business with South Korea, but it is also a matter of politics. While direct trade is flourishing unofficially and the two economies would complement each other, North Korea has a "blood relationship" with China stemming from the Korean war. It would certainly disappear if a broadening of relations with the south.

Asian diplomats say the issue has provoked debate between China's Ministry of Foreign Economic Relations and Trade (Mofetr) and the Ministry of Foreign Affairs. The former is in favour of welcoming the South Koreans and their currency, the won, but the latter is opposed to any open show of friendship, be it through trade or politics.

The foreign affairs ministry has a more conservative attitude, "one diplomat said. "Essentially, it is a question of how to treat North Korea. Some of the old party and military leaders are also opposed to improving relations because they have strong memories of the war."

The Seoul Olympics in the autumn could be a turning point, as China is participating despite Pyongyang's opposition. Rumours persist that it plans to open a trade office in Seoul after the games, and will permit South Korea to open a similar office in Peking. Asian diplomats doubt whether this would happen this year, although a west European diplomat said the move is supported by reformists in the leadership who argue that trade policy should be apolitical.

Sino-South Korean trade last year is estimated at between \$1.6bn and \$2bn, though it could be higher. Trade through Hong Kong was about \$1bn last year, up 30 per cent, with textile products accounting for about 40 per cent of China's exports. The same item accounted for about 40 per cent of South Korea's exports, with paper products comprising 10 per cent and aluminium 6 per cent.

Trade is thriving without a formal relationship, thus China is more likely to ease restrictions informally in the short term than to make a major foreign policy announcement that would alienate North Korea, which has traditionally played China and the Soviet Union off against each other, and, in the past two years, has allowed Moscow greater military access to the Korean peninsula.

But signs of the growing South Korean ties are obvious. During a visit last year to the eastern port city of Incheon, South Korea ships were seen to be loading coal and salt. And Mr Armand Hammer, the Occidental Petroleum chief, said South Korea would be a prime market for coal from his joint venture mine in Shandong.

Significantly, a train line has been built from the mine to the northern port of Qingdao, which is convenient for South Korean vessels. Corn dealers in Peking report that a common means of direct trade is for officials from the two countries to arrange for a third country's ship to sail to a Chinese port, and then directly to South Korea. South Korea is an importer of Chinese corn, but problems on China's domestic market prompted a fall in exports last year.

Threat to Sydney tunnel project

THE controversial project to build a tunnel under Sydney's spectacular harbour is under review, Mr Nick Greiner, premier of the recently-elected New South Wales government, confirmed yesterday.

The move which emerged at the Liberal-National coalition's first Cabinet meeting, poses a clear threat for the tunnel's builders, a consortium linking Kumagai Gumi, the Japanese construction company, and Transfield, a private Sydney group.

Mr Greiner's state government elected 10 days ago, has already scrapped its predecessor's plans for the world's largest casino, which was to have been part of a hotel project in the vast redevelopment of Darling Harbour near the city centre.

Japan team for US farm talks

A Japanese team of agriculture experts, led by Mr Takashi Sato, Agriculture Minister, was due in Washington yesterday for what promises to be one of the fiercest discussions yet on Super-TRT trade issues, Reuters reports from Tokyo.

Akzo tries to block Du Pont import bid

AKZO, the Dutch chemicals and fibre group, sought yesterday to stop Du Pont of the US from bringing its Kevlar aramide fibre into the UK and raw materials into Northern Ireland. The petition, filed to the London High Court, follows a ruling that Du Pont had infringed an Akzo patent for making the super-strong fibre.

Dainippin in Hoffman deal

Dainippin Ink and Chemicals has signed an agreement with F. Hoffmann-La Roche to set up a joint venture in Tokyo to make and sell liquid crystal products, Reuters reports from Tokyo.

Lloyds in Madeira venture

LLOYDS FUND Management, part of the Lloyds Bank group, has become the first major international financial enterprise to apply for the new offshore banking and free zone of the Portuguese island of Madeira.

The Madeira Development Corporation, promoter of the offshore and free zone, hopes for comprehensive banking, industrial and service operations on an island now reliant on tourism, mint-agriculture, wine, and crafts such as embroidery and wickerwork.

Four Portuguese banks - the state-owned Banco Espirito Santo Commercial de Lisbon and Banco Pinto Solonmeyer, the privately-owned Banco Comercial Portugues (the fastest-expanding private bank), and Banco Internacional de Funchal, a consortium of the old Funchal savings co-operative into a commercial bank - have applied for offshore licences together with a small Paris-based institution, the Banque Franco-Portugaise.

Japan-Irish computer link

THE US subsidiary of the Japanese Alps Electric Company is to invest \$5.6m in a computer components plant in Cork in the Irish Republic.

Japan team for US farm talks

Mr Sato has said he will represent that it is too difficult for Japan to eliminate beef and citrus import quotas. This is because it could damage Japanese farmers too much, he said.

Japan-Irish computer link

Output from the Cork plant will be exported to European markets.

Advertisement for G.T. Bond Funds, featuring a silhouette of a castle and text describing four bond funds from G.T. (Security for your money in today's markets).

Advertisement for the 83rd Prize Game of the Süddeutsche Klassenlotterie, featuring a large number 405,610,000 DM and details of prizes and ticket information.

Advertisement for G.T. Cement PLC, featuring the company logo and text.

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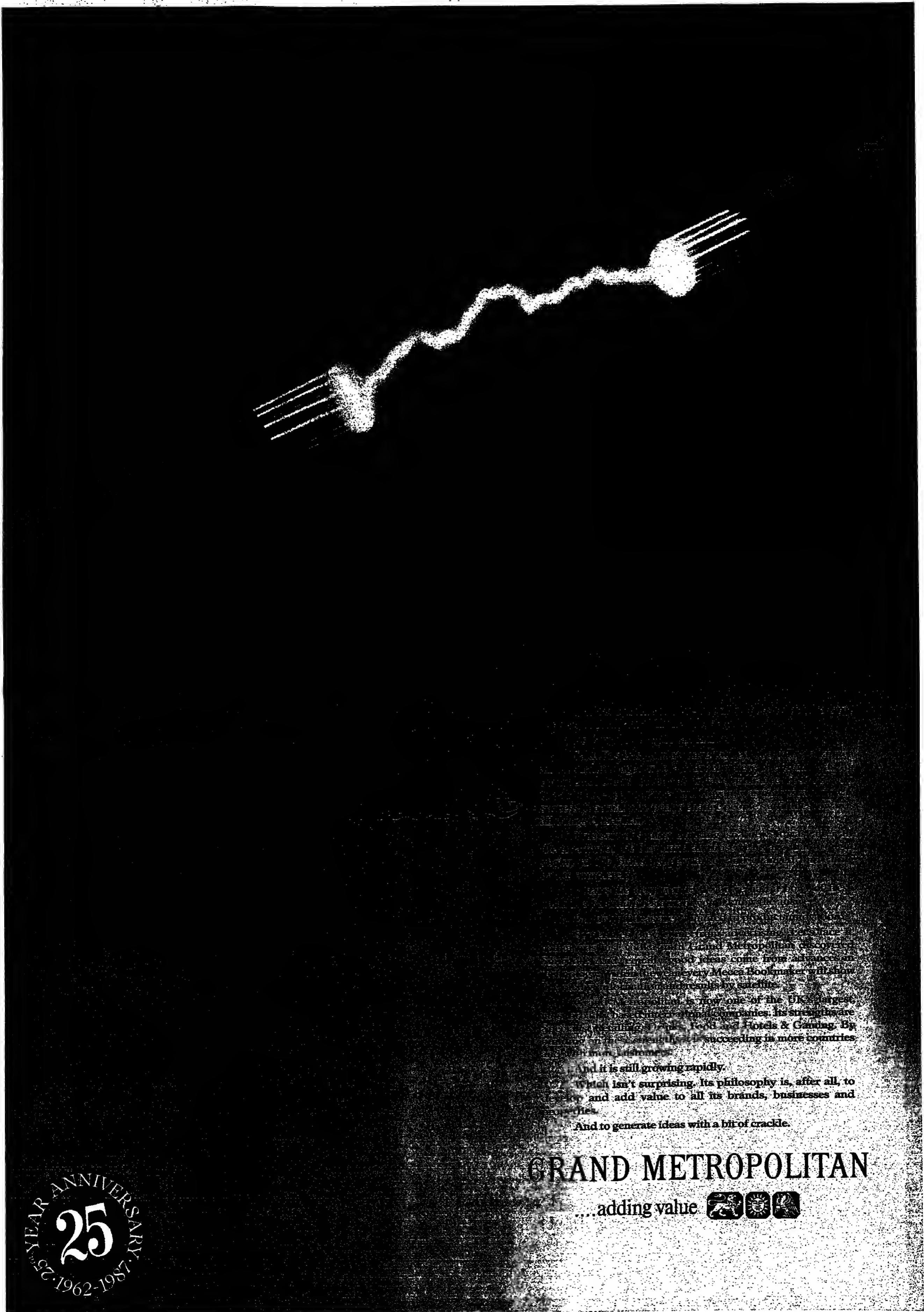
Wednesday March 21

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By John Ryan in Rome

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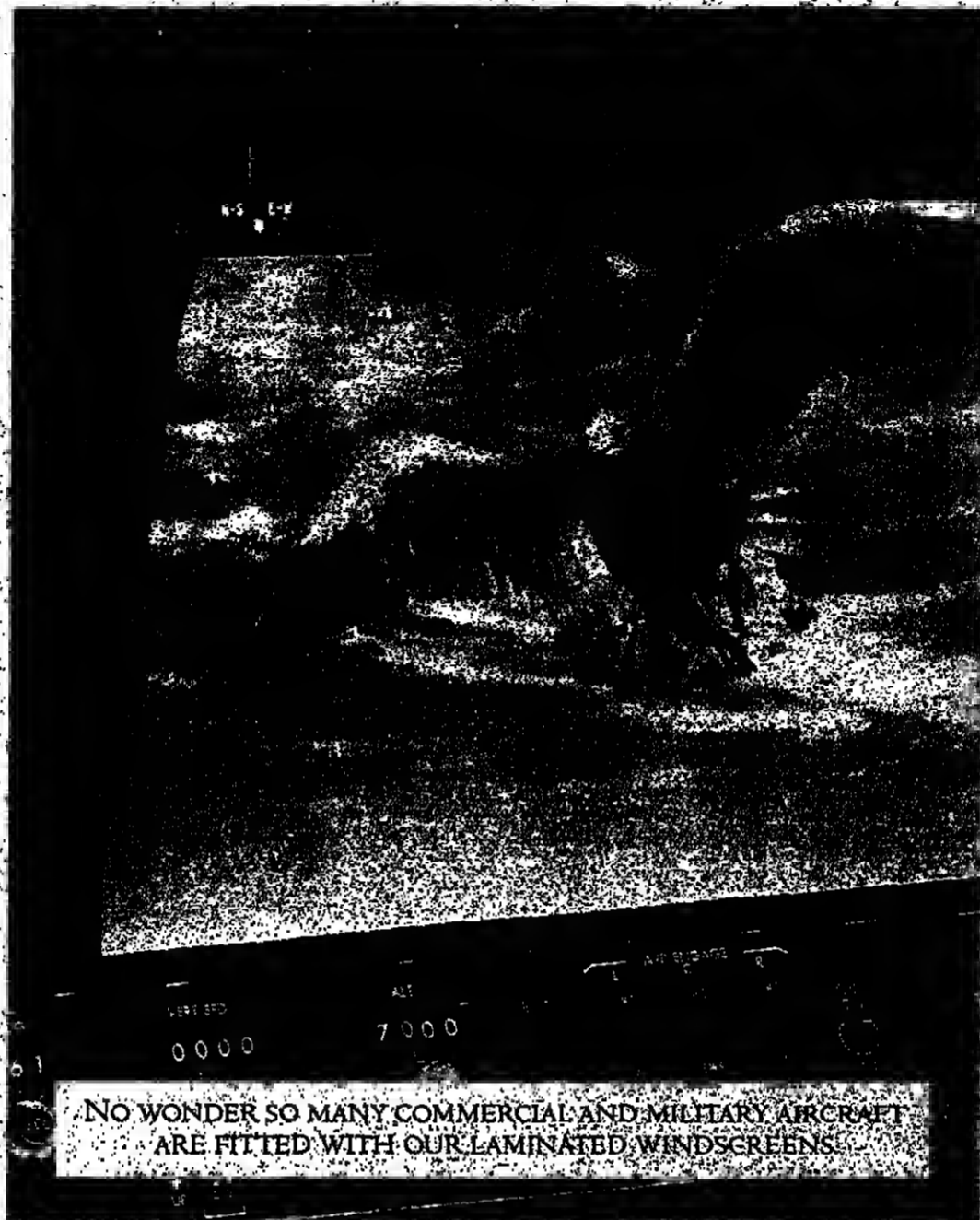
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John, initials

BAA set to cut further 1,200 jobs by 1990

Byona McEwan

BRITISH AEROSPACE is to eliminate another 1,200 jobs by late 1990. This is in addition to the cuts announced over the past few weeks.

The latest section of the group's reorganisation is the military aircraft division, which has a total workforce of 30,000.

Earlier this month, BAA announced plans to eliminate 1,700 jobs - 15 per cent of the division's total - at its Dynamics Division, the company's guided weapons development and manufacturing arm, by the early 1990s.

It also announced plans last week to cut management jobs in the civil aircraft division. About 400 of the 2,000 management jobs are thought to be at risk.

The cuts are part of a five-year cost-cutting plan announced last year by Sir Raymond Lygo, BAA chief executive, aimed at reducing costs by a third by the early 1990s to stimulate efficiency and competitiveness in world markets.

Yesterday's announcement came on the eve of the company's preliminary results today which are expected to reveal that the company has been hit significantly by the sharp fall in the value of the dollar.

Talks open on Ulster devolution

BY OUR BELFAST CORRESPONDENT

MR TOM KING, the Northern Ireland Secretary, met senior members of the nationalist Social Democratic and Labour Party yesterday for crucial talks on the prospects for devolved government in the province.

After a two-hour meeting, the SDLP delegation led by Mr John Hume, the party leader, emerged to say that the talks had been constructive and it was hoped that there would be another meeting again shortly.

Mr King's invitation was aimed at assessing the party's attitude to a fresh round of talks on the constitutional future of Northern Ireland.

Mr Hume said that it was the first opportunity his party had been offered to discuss in detail its ideas on devolution with Mr King. After the meeting, Mr Hume said: "Dialogue is on as far as we are concerned."

"We have no objections to devolved institutions in Northern Ireland. We are already participating in local government and on area boards," Mr Hume added.

The SDLP leader said the real test of any political initiative in Northern Ireland was whether it would help in breaking down barriers between the Catholic and Protestant communities and whether any such agreement would be stable.

The SDLP delegation included Mr Sheamus Mallon, deputy leader, and South Down MP Mr Eddie McGrady.

Yesterday's discussions follow Mr King's meetings with Mr James Moynihan, leader of the Official Unionists, and the Rev Ian Paisley, Democratic Unionist Party leader.

Growing optimism that inter-party discussions may be feasible has been fuelled by recent conciliatory remarks by prominent Unionist politicians.

Mr Ken Macdonis, the Official Unionist MP for Fermanagh/South Tyrone, said it was essential that Unionists used the period between now and the review of the Anglo-Irish Agreement in November to come up with an alternative to the accord.

The UK Government's Northern Ireland Office described yesterday's talks as helpful and said that the fact that another meeting is planned is being interpreted as a positive step in the right direction.

One of the main stumbling blocks to progress could be the Unionists' insistence on the suspension of the Anglo-Irish Agreement before any formal inter-party talks take place.

In Brief

Banks show moderation in pace of lending

A moderation in the pace of bank lending in February was confirmed in figures published by the Bank of England yesterday, writes Ralph Atkins.

Final figures show bank lending to the UK private sector increased by £2.5bn in February, compared with more than £5bn in January. The figures also show the narrow measure of money supply, M0, fell by a seasonally-adjusted 0.1 per cent last month. In the year to the February, M0 grew by 5.3 per cent.

The wider measure M4, which includes deposits with banks and building societies, grew by 0.9 per cent in February and at an annual rate of 16.0 per cent. M3, a broad measure excluding building society deposits, grew by 0.4 per cent in February and by an annual rate of 20.4 per cent.

Heron to sell Pima

Heron International, one of Britain's largest private groups, is negotiating to sell its US savings bank subsidiary, Pima, based in Tucson, Arizona.

Heron said that it has retained Salomon Brothers to advise it on selling the bank Pima, with a net worth of \$118m at 31 March last year, is likely to be worth up to twice this amount, based on other recent sales.

A Heron spokesman denied that the sale indicated that the company was "strapped for cash." It withdrew a \$50m bond issue last October following the arrest of its chairman, Mr Gerald Ransom, in connection with the Guinness affair.

Chapman leaves ECGD

Mr Fred Chapman, principal financial officer at the Export Credits Guarantee Department (ECGD) and the official responsible for negotiating far-reaching reforms to Britain's export credit system last year, is to leave the department in May to take up a three-year secondment as European Corporate Treasurer of Varty, the farm equipment concern.

Senior department officials were quick to deny suggestions it could be linked to the controversial reform negotiations or to criticism of ECGD's accounting policies.

Shell upgrades refinery to cut cost of unleaded fuel

BY STEVEN BUTLER

SHELL UK is spending £58m to upgrade its Stanlow Refinery at Ellesmere Port, Cheshire, to meet the high-quality petrol requirements associated with unleaded fuel.

Construction has begun on the installation of an alkylation plant to produce high-octane gasolines, with completion and commissioning expected for mid-1989.

The project is aimed at lowering the cost of producing higher quality fuel and follows a number of similar programmes at Britain's other major refineries.

The Government has lowered excise duties on unleaded fuel relative to leaded fuel, and consumption is expected to increase rapidly. After leaving out lead additives, however, basic fuel stock needs considerable upgrading to deliver the same performance.

The latest investment is part of a broader effort to upgrade the Stanlow Refinery, which includes a \$190m catalytic cracker now being commissioned, and a \$90m gas separation complex due to be commissioned in mid-1989.

Department agrees £62m development for oil field

BY FINANCIAL TIMES REPORTER

THE DEPARTMENT OF Energy yesterday approved a \$62m development plan for the Don Field in the northern section of the North Sea. The field is operated by Britoil, which was recently taken over by British Petroleum.

The development is to be a sub-sea satellite that will feed into the main field, 15 kilometres to the south. The field has estimated reserves of 56m barrels of oil, with production due to start in late 1989. The development will be in two phases, with 36m barrels in the first phase. Production is expected to level off at 12,000 barrels a day in 1990.

Britoil has made arrangements to acquire Shell/Eso's interests in the block and is negotiating a similar deal with Conoco. Britoil will have a 55.2 per cent interest in the field after completing the deal. Other large partners in the field will include Deminor UK and Smta Petroleum.

Britoil has already awarded \$16m worth of contracts for the development, including orders for control systems, pipeline, design and installation.

Phase one of vast docklands project unveiled

BY ANDREW TAYLOR

OLYMPIA & York, the Canadian property and resources and group owned by the Reichman family, yesterday unveiled plans for the first phase of what it claims will be the world's largest commercial development at Canary Wharf in London's docklands.

The \$3bn to \$4bn Canary Wharf development on the Isle of Dogs is proposed to provide more than 12m sq ft of office and retail space in 22 separate buildings. It is due to be completed in 1996.

Phase one of the development will cost around £1bn and provide almost 6m sq ft in eight buildings. It must be the biggest single financial commitment ever made by Olympia & York, Mr Paul Reichman said in London yesterday.

Mr Reichman, one of three

brothers who run Olympia & York, said the group would finance itself the construction of six of the eight Phase One buildings. It would not seek outside finance until it had found tenants for the buildings.

The two remaining Phase One office blocks will be financed by Credit Suisse First Boston and Morgan Stanley, two US banks previously part of a consortium which proposed the Canary Wharf project, taken over by Olympia & York last July.

Olympia & York is one of the few property companies in the world which could undertake such a massive development on its own. It is the largest developer and owner of office properties in North America. It owns and operates 24m sq ft of real

estate in New York alone. It is currently completing the construction of the landmark 6m sq ft World Financial Centre at Battery Park in New York.

The group remains unperturbed by fears that the collapse in share prices last October will reduce tenant demand for Canary Wharf, which Mr Reichman says will create London's third business centre competing with City and West End offices.

The focal point of the development will be an 800 ft obelisk-shaped office tower, designed by Cesar Pelli in association with Adamson Associates and Sir Frederick Gibbard Colombs and Partners.

The tower, which will be clad either in warm red granite or satin finish stainless steel, will provide 1.7m sq ft of offices on 50

floors. It will be Europe's largest commercial building and its second tallest. The tower is proposed to be around 50 ft shorter than a tower planned for Frankfurt's trade fair complex by Tishman Speyer Properties of New York.

Most of the architects which produced the designs for phase one of Canary Wharf are from North America - Cesar Pelli, an Argentinean by birth, for example, worked for Olympia & York on the designs for the World Financial Centre in New York. Olympia & York says in future it would hope to use more British architects on the project.

Mr Pelli said yesterday that his office tower would be Britain's first genuine skyscraper, about 200 ft taller than the Nat West tower in the city.

The North American scale and

approach to the design of the office buildings has been combined, say Olympia & York, with a traditional European approach to use of large areas of public space, tree-lined arcades, boulevards, piazzas and fountains.

Sir Roy Strong, the former director of the Victoria & Albert Museum advising Olympia & York, said the project would provide the greatest set of public squares and piazzas to be developed in London since the 18th century.

A fountain planned for the centre of the development would be one of the largest fountains commissioned in London. Hays/Olin landscape architects will provide several thousand mature trees, including limes and hawthorns to line the avenues and open spaces at Canary Wharf.

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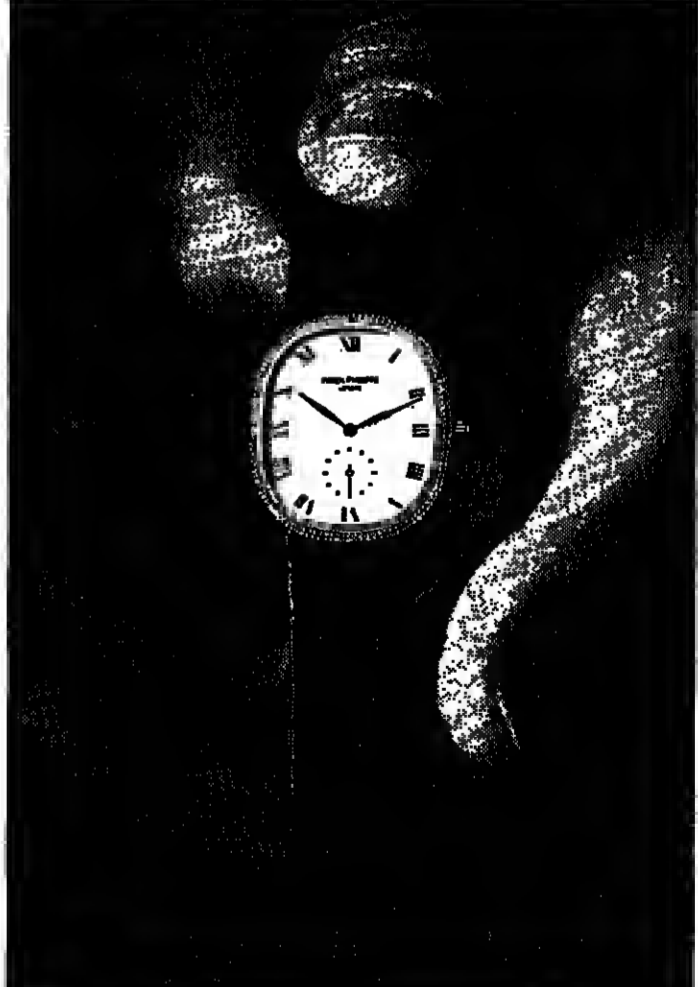
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Illustration by Ken Miyazaki for Le Meridien.

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Civil service pay offer criticised as 'inadequate'

By JOHN GAPPER, LABOUR STAFF

THE Treasury yesterday unveiled a 4 per cent pay offer to 320,000 middle and junior grade civil servants which is likely to provoke calls for industrial action. This follows the Government's decision to impose local pay allowances without agreement.

The pay offer to clerical, typing and secretarial grade staff, which includes a minimum flat rate weekly rise of 55p, was accompanied by an offer of increases in London weighting allowances giving a new maximum of £1,660.

The pay offer to members of the CPSA and NUCPS civil servants' unions was criticised by Mr Leslie Christie, NUCPS general secretary, as "completely inadequate." It is also likely to meet fierce opposition from the CPSA, which has left-wing leadership.

A CPSA pay conference in December voted to seek an all-out strike of its members if the Treasury did not meet a pay claim including a 25p a week rise, the introduction of a 35-hour week and a minimum weekly wage of £134.

The Government is determined, however, to keep pay costs strictly within spending limits, while seeking additional flexibility in pay structures to deal with local recruitment and retention difficulties.

The Treasury said yesterday that it planned to impose a system of local pay additions from June 1, after seeking submissions from Government departments, despite the rejection of such a system by both the NUCPS and the CPSA.

Last year's pay award of 4.6 per cent to clerical, secretarial and typing grades was imposed on staff after a prolonged campaign of regional and selective strikes that ended in disagreement between the two unions over tactics.

The pay offer, which would cost the Treasury £106.5m to implement, will be considered at a meeting of the NUCPS national executive today. Mr Christie said that he would be recommending its rejection.

The London weighting allowance offer to civil servants working in the capital provides for new rates of £1,530 in inner London, £965 in an inner zone and £705 in an outer zone - increases of £153, £96 and £64 respectively.

The pay offer would give increases of 55p a week to about 160,000 junior grade servants in the administrative officer and administrative assistant grades. A 4 per cent rise would apply to those in more senior positions.

Jaguar unions agree to suspend strike threat

By CHARLES LEADBEATER, LABOUR CORRESPONDENT

JAGUAR, the luxury car maker, yesterday agreed not to implement a productivity deal after leaders of its manual unions agreed they would suspend their threats of industrial action.

The deal was due to take effect from April 6 and was set to increase productivity by 7.5 per cent to lift output to 1,300 cars a week.

The reciprocal moves were intended to allow more time for talks over the company's plan, which is aimed at lowering unit costs through moving to higher volume production.

The company says the higher volume is needed to meet demand in Europe and the Far East, as well as to make Jaguar competitive in the US market in the light of sterling's strength against the US dollar.

The talks began earlier this week, after the 4,000 workers at the company's Browns Lane assembly plant in the Midlands voted by two-to-one for a strike over the issue.

The company wanted to introduce the faster production line speeds from after the Easter holidays, with production rising over the following five or six weeks from a rate of 55,000 cars a year to 60,000.

Workers at the company's painted-body and engine plants, at Castle Bromwich and Bafford in the Midlands, have already accepted the higher production targets.

The unions have said they want a pay rise to compensate for the higher productivity. But their main objections are that the higher production targets were introduced without prior consultation and, despite the recruitment of about 600 assembly line workers over the last year, there are not enough workers to meet the new targets.

Under Jaguar's collective bargaining procedures the unions would have to give the company five days' notice before going on strike. The unions would have to take industrial action by April 21 to avoid losing their mandate under trade union legislation.

Premier advances flotation plan

By LISA WOOD

PREMIER BRANDS, the group which produces Typhoo teas and Glaxo baby food, reported a pre-tax profit of £18m for the calendar year 1987 compared with £9.2m in the previous year.

The company, set up in 1986 after a \$97m buy-out from Cadbury Schweppes, the soft drinks and confectionery group, plans a public flotation next year.

Mr Paul Judge, chairman of Premier Brands, said the development of the business had enabled these plans to be brought forward from 1990.

Trading profit for 1987 was £24.5m, a 51 per cent increase over 1986 which, with reduced interest charges, substantially increased interest cover.

Turnover was up by 12 per cent from £260m to £291.5m.

The return on sales was 7.9 per cent, achieving, said Mr Judge, the company's objective of matching the UK food industry average.

Mr Judge said trading profit, together with further reductions in asset levels, contributed to a cash inflow from operations of \$48m, more than covering the company's tax and interest payments and its acquisition expenditure.

This, on top of the £41m inflow of 1986, enabled the company to refinance its original buy-out borrowings during the year. This financing package, he said, gave the company scope for future acquisitions.

Opposition accuses Tories on advertising

By Peter Riddell, Political Editor

THE OPPOSITION Labour Party has accused the Government of using public money for party propaganda and lodged a formal complaint with the Independent Broadcasting Authority.

Mr Tony Blair, Labour's trade spokesman, has written to Lord Thomson, the chairman of the IBA, expressing "deep concern" about the Government's use of television advertising to promote Government policies and programmes.

He claims that a recent television advertisement on what the Department of Trade and Industry has called its enterprise initiative - talking of "a new drive behind British business" and "benefits felt in almost every area of commerce" - represents a "value judgement of a political nature" and is therefore described as "imparting factual information" as stated by the IBA's guidelines on Government advertising. The IBA also has a statutory duty of impartiality.

Mr Blair's letter comes at a time of growing parliamentary concern over the sharp rise in Government spending on advertising, especially by the DTI. The House of Commons public accounts committee is considering whether or not to hold a formal inquiry into the issue, with an investigation by the National Audit Office.

In his letter Mr Blair says it is "a disgrace that taxpayers' money is used to fund such party propaganda." It is especially important for these matters to be raised now when the Government is gearing itself up to spend millions of the public's money to promote the Conservative case on social security, electricity privatisation, and the numerous public relations stunts of Lord Young at the Department of Trade and Industry. These campaigns must be carefully scrutinised to ensure that only facts, not Tory propaganda, are advertised.

He points out that Government advertising has risen from over £20m in the years 1985-86 to well over £100m in 1987-88 and is set to rise further. DTI advertising has increased from £2m to over £15m in the same period.

Mr Blair says that it is "no coincidence that the areas of the largest increase in spending are those of most political sensitivity for the Government - employment, DSS (the social services) and DTI."

He says that, in particular, the DTI's campaign on the enterprise initiative "has strayed far over the line between providing information to the public and peddling propaganda."

Guinness decision seen as boost for Takeover Panel practices

By CLAY HARRIS

SELF-REGULATION lives to fight another day. Despite the narrow focus of yesterday's High Court ruling, the outcome was a victory for the more interventionist line taken by the Takeover Panel in the wake of the Guinness affair.

For the second time in 15 months, the panel appears to have emerged unscathed from an encounter with the legal system which could have proved fatal to Britain's largely voluntary system of regulating takeovers.

The judgment was viewed in the City of London as adding a new dimension to takeover practice, because it sanctioned the panel's unprecedented intervention in a bid 16 months after its conclusion and while a Department of Trade and Industry inquiry

into Guinness was still underway.

Mr Simon Metcalfe, a corporate finance director at County Natwest, said: "It seems to be extending the areas in which the panel can exert its authority." However, Mr Antony Beevor, the panel's director-general, was reluctant to extrapolate from the case at hand. He said: "I don't want to exaggerate it because the point about Guinness was that it was a slightly special case: are we right to proceed outside a bid situation while the DTI inspectors are in?"

The case which led to yesterday's ruling was a logical extension of the Appeals Court judgment in December 1986 which held for the first time that the panel's decisions were liable to judicial review, but only based on the way the

panel applied its own rule book, the Takeover Code.

Yesterday's judgment tided on this narrow procedural issue. The court rejected Guinness's contention that the panel reached its decision unlawfully and unfairly. "That's what judicial review is all about," commented a John Walker-Haworth, who was director-general when the panel made its ruling last year.

Legal issues aside, however, the panel has taken a much tougher line with bid protagonists in the wake of the Guinness affair. One merchant banker said the panel was showing more perseverance in its inquiries, and not shrinking from demanding information and action, when it formerly had relied much more on gentlemanly negotiation.

Raymond Hughes looks at the proceedings and outcome of a judicial review

High Court upholds ruling on illegal share dealings

THE High Court yesterday upheld last September's City of London takeover panel decision that in the closing stages of its £2.7bn takeover battle for Distillers in 1986, Guinness took part in an illegal concert party purchase of 10.5m Distillers' shares.

The court also ruled that the way in which the panel had reached its conclusion that Guinness had breached the City Takeover Code was not open to criticism.

Guinness's application for a ruling that the panel had acted unfairly and unlawfully was dismissed with costs. The company is to consider an appeal.

The panel said it would not consider the consequences of its decision - which could involve Guinness having to pay extra money, variously estimated at between £20m and £200m, to former Distillers' shareholders - until after any appeal.

Guinness had sought judicial review of the panel's decision, which involved the court having to decide whether the panel had dealt with the matter fairly and properly in accordance with established legal guidelines.

Guinness had complained that the panel had reached its decision on inadequate evidence - none of those principally involved in the alleged concert party having given evidence - and refused to adjourn the matter until after publication of a report into the Guinness affair by the Department of Trade and Industry, or to give Guinness more time to prepare its defence.

Lord Justice Watkins said that Guinness had not been denied its right to be treated fairly and there had been no procedural irregularity in the way the panel dealt with the matter.

"There was sufficient evidence to allow the panel to decide as it did," the judge said.

The case concerned 10.5m Distillers' shares bought for £75.6m towards the end of the bitterly

fought battle for Distillers between Guinness and Argyll Group. The price was substantially higher than Guinness' alternative cash offer.

The shares were bought by Casanova and Co, one of Guinness's stockbrokers, for Pipetec, a Swiss finance company and a wholly-owned subsidiary of Bank Leu, a Zurich bank.

Samuel Montagu & Co, advisers to Argyll, asked the executive of the takeover panel to investigate the purchase and the executive asked Guinness for an assurance that there had been no concert party between Guinness and Pipetec. The response was a letter on April 17 1986, from Mr Olivier Roux, then Guinness finance director, saying: "We have made no financial arrangements with the purchaser with respect to such shares."

Lord Justice Watkins said the document that figured most prominently in the case was a letter dated April 18 1986, written by Pipetec to Mr Thomas Ward, then a Guinness director.

The Pipetec letter, a copy of which appeared to have been signed on Guinness's behalf by Mr Ward, confirmed that Pipetec had purchased the Distillers' shares on Mr Ward's instructions. The letter stated that Guinness undertook to pay Pipetec an "up-front arrangement fee" of £47,550 and to repurchase the shares from Pipetec for the original purchase price plus commission, fees, taxes and other costs.

Lord Justice Watkins commented that the present Guinness board was still not convinced of the authenticity of that letter. For one thing it was said that Mr Ward had been in the US at the time the letter must have been signed.

The judge said that Guinness could not be criticised for seeking judicial review.

"I think the new board of Guinness is deserving of sympathy in its endeavours to deal with an

awful inheritance in the interests of the future of Guinness, its shareholders and anyone who may claim to be adversely affected financially by the manner in which Guinness took over Distillers."

"The vast implications of the additional burden which will be cast upon it by the decision of the panel, if it is not set aside, seem to the dictators to be just about the last straw."

Guinness had argued that there was no precedent for a panel investigation 16 months after the outcome of a bid or for the panel deciding that a concert party existed without the people alleged to have composed it giving evidence to the panel.

Lord Justice Watkins said it could not be said that "the main actors" of the Guinness side had not given evidence and that the panel had substantially relied on hearsay evidence.

Although the panel had been "inconsiderate" in refusing Guinness an adjournment to enable it to present its case better, the judge was not satisfied that better presentation would have persuaded the panel to a different decision.

Nor did the judge consider that the panel had been unreasonable in refusing to adjourn until the inspector reported.

As to the panel's conduct of the September hearing, Lord Justice Watkins said that of had to look at the quality of the evidence at the panel's disposal and Guinness's capacity to do a least cast doubt on it, not rebut the allegation that the Distillers takeover had been effected in breach of the Code.

"In the unfolding drama of the Guinness affair, the financiality in raising to deft its hearing until the inspector reported, must always prevail."

"I do not believe that Guinness... was denied its reasonable right to be treated fairly," Lord Justice Watkins said.

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(*Fedryn*)



General Mining Union Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration number 51/9228/00)
(*Gencor*)



Oryx Gold Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 56/0190000)
(*Oryx*)

Rights Offer of Oryx Gold Holdings Limited Ordinary Shares

Further to the announcement on Monday, 28 March 1988, Central Merchant Bank Limited and Standard Merchant Bank Limited are authorised to announce that the Johannesburg Stock Exchange ("the JSE") has granted listings for the Oryx renounceable (nil paid) letters of allocation to be issued pursuant to the rights offer referred to below and the entire issued share capital of Oryx comprising 185,000,200 ordinary shares of no par value.

In terms of the rights offer Gencor will offer 5,577,778 ordinary shares of no par value in the share capital of Oryx at an issue price of 800 cents per Oryx ordinary share to the holders of ordinary shares (ordinary shares), 8.5% variable compulsorily convertible cumulative preference shares (preference shares) and 12.5% unsecured subordinated compulsorily convertible debentures (convertible debentures), in Gencor on the basis of 8 ordinary shares of no par value in Oryx for every 100 ordinary shares or 100 preference shares or 100 convertible debentures held in Gencor.

An application to list the ordinary shares of Oryx will be made to the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("the SEL").

The important dates are:-

Record date for the rights offer - last day for Gencor ordinary and preference shareholders and convertible debentureholders to register for the rights offer	1988
Thursday, 31 March	
Dealing in Oryx renounceable (nil paid) letters of allocation commences on the SEL under Rule 535.4	Tuesday, 5 April
Gencor ordinary shares, preference shares and convertible debentures listed on the JSE	Tuesday, 5 April
Listing of Oryx renounceable (nil paid) letters of allocation commences on the JSE	Thursday, 7 April
Rights offer opens in Johannesburg and London at 09h30	Thursday, 7 April
Last day for dealing in Oryx renounceable (nil paid) letters of allocation on the JSE	Monday, 11 April
Last day for splitting Oryx renounceable (nil paid) letters of allocation in Johannesburg and London at 09h30	Tuesday, 3 May
Listing of Oryx ordinary shares commences on the JSE, all dealings up to Friday, 20 May 1988 for special settlement on Tuesday, 24 May 1988	Wednesday, 4 May
Rights offer closes in Johannesburg (14h30)	Thursday, 5 May
Last day for payment in Johannesburg (14h30)	Thursday, 5 May
Rights offer closes in London (14h30)	Friday, 6 May
Last day for payment in London (14h30)	Friday, 6 May
Listing of Oryx renounceable (nil paid) letters of allocation on the SEL	Friday, 6 May
Listing of Oryx ordinary shares (fully paid) commences on the SEL	Monday, 9 May
Last day for postal acceptances in Johannesburg by 14h30 subject to a postmark of not later than Thursday, 5 May 1988	Wednesday, 11 May
Last day for postal acceptances in London by 14h30 subject to a postmark of not later than Friday, 6 May 1988	Wednesday, 11 May
Oryx ordinary shares certificates posted by	Wednesday, 18 May




All times given are local times in the Republic of South Africa or the United Kingdom as appropriate.

The above dates apply mutatis mutandis to the holders of ordinary shares (ordinary shares), 8.5% variable compulsorily convertible cumulative preference shares (preference shares) and 12.5% unsecured subordinated compulsorily convertible debentures (convertible debentures) in Fedryn, in respect of the right to Oryx ordinary shares renounced in their favour by Fedryn, pursuant to the Gencor rights offer, on the basis of 5 ordinary shares of no par value in Oryx for every 100 ordinary shares or 100 preference shares or 100 convertible debentures held in Fedryn.

A copy of the Gencor rights offer circular, including the renounceable (nil paid) letters of allocation and the Oryx pricing statement, which is to be posted to Gencor and Fedryn shareholders and debentureholders on Monday, 11 April 1988 will be available for inspection at the registered offices of Gencor, 6 Holland Street, Johannesburg, Central Merchant Bank Limited, 30th Floor, Servisium-centrum, Jeppe Street, Johannesburg and Martin & Co. Inc, 10th Floor, The Johannesburg Stock Exchange, Diagonal Street, Johannesburg, from Thursday, 31 March, 1988 to Thursday, 5 May and at the offices of the London secretaries, Gencor (U.K.) Limited, 30 Ely Place, London, EC1N 6JA, from Thursday, 7 April 1988 to Friday, 6 May.

The Oryx pricing statement will be published in the press in South Africa on Thursday, 7 April 1988.

Johannesburg
30 March 1988

<p>Merchant bankers</p>  <p>Senbank Central Merchant Bank Limited (Registration number 52/0772/00) (Registered bank)</p> <p>Standard Merchant Bank Limited</p>  <p>SMB The Merchant Bankers (Registration number 44/0890/00) (Registered bank)</p>	<p>Sponsoring brokers</p>  <p>Martin & Co. Inc (Registration number 27/002/00) (Member of The Johannesburg Stock Exchange)</p>  <p>Ed Herr, Rudolph Inc. (Registration number 81/047/00) (Member of The Johannesburg Stock Exchange)</p>  <p>James Capel & Co. (Registration number 81/047/00) (Member of The Johannesburg Stock Exchange)</p>
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Gencor
General Mining Union Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration No. 51/9228/00)
Formerly General Mining and Finance Corporation Limited

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER (GENCOR BEARERS) REGARDING A RIGHTS OFFER OF ORDINARY SHARES IN ORYX GOLD HOLDINGS LIMITED (ORYX) WHICH OPENS ON 11 APRIL 1988 AND CLOSURES ON 6 MAY 1988.

Rights offer of 6 ordinary shares of no par value in Oryx at an issue price of 800 cents (SA currency) per Oryx ordinary share for every 100 shares held in Gencor.

COUPON No. 130 is the entitlement which enables holders of GENCOR BEARERS to receive the offer.

A Listing and Acceptance Form (either PINK to receive NIL PAID LETTERS OF ALLOCATION or GREEN to subscribe for FULLY PAID ORYX ordinary shares) must be completed and lodged, preferably by a stockbroker or banker, together with Coupon (s) No. 130.

Payment: By a banker's draft (marked "not negotiable") expressed in the currency of the Republic of South Africa in favour of "Senbank-Oryx" in respect of the amount due must accompany either the nil paid Letter of Allocation or the GREEN Listing and Acceptance Form.

Full payment details will be set out in each Listing and Acceptance Form and in each Letter of Allocation.

Letters of Allocation will be issued by Hill Samuel Registrars Limited.

Copies of the Rights Document and Listing and Acceptance Forms will be obtainable from:-

Hill Samuel Registrars Limited
8 Greenoat Place
London SW1P 1PL
After 11 April 1988

30 Ely Place
London EC1N 6JA

per pro GENCOR (U.K.) LIMITED
London Secretaries
L.J. Baines

30 March 1988

UK NEWS

Japan views UK as door to Europe, new envoy says

BY ANTHONY MORETON, WELSH CORRESPONDENT

NISSAN will start exporting cars in November from its Washington factory in the north east of England. When it does, it will probably use the 22m Tese Dock terminal near Middlesbrough which the company opened yesterday.

Mr Paul Channon, the Transport Secretary, opened the dock, which will be used to accept the company's imports from Japan. The contract to use 40-acre terminal for exports, however, is still being negotiated.

The terminal has opened in time for imports to be stepped up to replace the output of cars from Washington, the bulk of which this year will be classed as British by virtue of having 60 per cent local content.

About 40,000 cars will be made in Washington this year, of which about 10,000 will be classed as foreign because their local content will fall below the 60 per cent threshold.

Mr Chiba admitted the investment was partly defensive since Japan did not want to be excluded from Europe in the 1990s. "There is always a danger that Japan could be frozen out if we are not in Europe. But we shall be here to take full advantage," he stated.

The ambassador, who took up his post earlier this month, was speaking at a conference on the next phase of Japanese manufacturing investment in the UK.

19 new arrivals taking the number of concerns to 70. More than 21,000 people were employed by Japanese companies.

He said the companies came because of high productivity levels, labour cost advantages and an adaptable workforce. Britain's key role to the EEC was also an important factor.

These advantages were also encouraging many Japanese companies in the UK to consider expansion, according to Professor John Dunning, of Reading University. "The likelihood of a major increase in the Japanese presence in the 1990s is very real, particularly in high-value activities."

Nissan opens Tees import dock

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

Up to 7,000 of the British vehicles will be exported to mainland Europe via Amsterdam on Nissan ships which will use Tese Dock to unload imports.

Nissan plans to export 40,000 Renault saloon cars a year from Washington by 1990, followed by 60,000 Micras a year by 1992, when exports worth about 500m a year will represent about half of the factory's output.

The group will import from Japan up to its quota of 5.5 per cent of the market, which means about 125,000 foreign classified Nissan cars a year at present. The import traffic is split 63-37 between the Tees and Bristol respectively.

The new import terminal has workshops so that cars from Japan can be fitted with a wide range of optional extras supplied in Britain, such as sunroofs and alloy wheels. Nissan's chief assistant managing director of Nissan UK, said yesterday that the extras would be worth millions of pounds and this was one way of using local content to keep prices down despite the strength of the yen.

"However, the real price advantage comes from productivity. We are making more than 40 cars per year per man to our factories compared with a high of 22 among the best of our competitors," he added.

Mr Chola said the terminal was the final piece in Nissan's UK jigsaw. The other pieces were the factory, 160 new dealerships, and the research and development centre, the location of which has yet to be announced.

ItWAX, the disposable lighter group and the first Japanese company to set up in Northern Ireland, yesterday cut 40 jobs at its Ballymoney factory in Co Antrim to leave a staff of 62. The company, which makes disposable lighters, said the move stemmed from a severe price war.

Barings shows profit despite share crash

BY DAVID LASCELLES, BANKING EDITOR

BARINGS, the privately-held London merchant banking group, weathered last year's slide in the equity markets without suffering any operating losses and ended the year with higher profits. The group's annual report discloses profits after tax of 28m, up from 27m the year before.

This is not the true figure, since Barings makes an undisclosed transfer to inner reserves. But Sir John Barings, the chairman, said the reported increase reflected a record year for the group's traditional Barings would have disclosed even higher profits, but for the cautious view it took of this year's prospects.

Sir John declined to detail the effects of last October's collapse in share prices. Barings did not escape unscathed because it was a large underwriter of the BP share issue which coincided with the crash. But, he said, it was a tribute to staff that Barings had managed to remain in profit.

Sir John said he was satisfied with the way that Barings' various lines of business were developing. The banking and capital markets increased their activity, and corporate finance handled a record number of transactions. Funds under management were unchanged at 11bn. The group's gilt-edged dealing operation lost money because of intense competition, but Sir John said this was a necessary cost of keeping close to the sterling debt markets.

Barings is preparing to become a member of the Tokyo Stock Exchange.

Sir John forecast that the slide-out in the securities markets which as already claimed a number of victims, would leave a number of well organised, effective and profitable players.

Tighter rules to govern audits of small companies

BY RICHARD WATERS

THE ADDITION of small companies which will become much more stringent following two developments designed to crack down on low-quality auditors.

The first development is a decision by the Auditing Practices Committee to outlaw a form of audit report widely used by auditors of small companies. The report, known as an example six report, states that the auditor has not formed an opinion on the accounts but relied on directors' assurances.

In future, auditors will have to express an opinion on the directors' accounts.

Mr Mathew Patten, chairman of the Auditing Practices Committee, said yesterday: "They can't opt out - which is what they have been doing up to now."

The second change stems from plans by the accountancy bodies to monitor their members' work. This follows a request from the Government for assurance about the quality of auditing. According to the Institute of Chartered Accountants in England and Wales, the changes are likely to add considerably to the cost of audits and will give extra ammunition to the Department of Trade and Industry in its campaign to relieve small companies from the onerous audit burden.

Around a quarter of Britain's 800,000-900,000 small companies receive an example six report, according to Audit Report.

International Appointments

THE UNIVERSITY OF GRONINGEN THE NETHERLANDS

At the Department of Management of the State University of Groningen, a vacancy exist for an **assistant professor in management accounting or financial management f/m**

(Vacancy number: 880309/30-43)

The Department:
The department is in operation since 1977 and is growing fast. Currently there are approx. 100 staff and 1600 students. Teaching is oriented towards practice and towards integration of different disciplines. In both teaching and research there is increasing attention to the internationalization of business and to contacts between universities within the EEC. A certain amount of external consultancy is encouraged. The current PhD programme is being extended. Staff who have not yet obtained a PhD degree are encouraged to undertake dissertation research.

Requirements:
A university degree in management or business administration, with a focus on management accounting and financial accounting or financial management; preferably some years experience in teaching and research. Some practical experience in business would be an advantage.

Salary:
Dependent on qualifications and experience, ranging from Dfl. 52,152,- to Dfl. 82,248,- (one 5 is approximately 1.55 Dfl.; one 2 is approx 3.45 Dfl.).

Teaching in English is accepted, but applicants should be willing to learn Dutch in due course.

Further information can be obtained from Drs. J. van der Meer-Koolstra, phone 01031-50-63382/1031-50-63383.

Applications with curriculum vitae should be sent, within two weeks, to the Head of the Personnel Department, Groningen University, P.O. Box 72, 9700 AB Groningen, The Netherlands.

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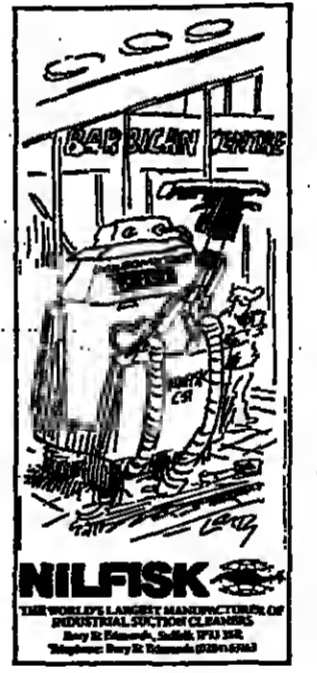
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Guthrie

Profits up by 28%

Year ended 31 December	1987	1986
Profit before taxation	£22.6m	£17.6m
Earnings per share	21.8p	19.1p
Dividend	6.2p	5.3p

"The strong improvement in results, in a year in which profits in foreign currencies were translated at sharply higher sterling rates, demonstrates the underlying strength of the Group's businesses."

Jock Green-Armytage, Managing Director

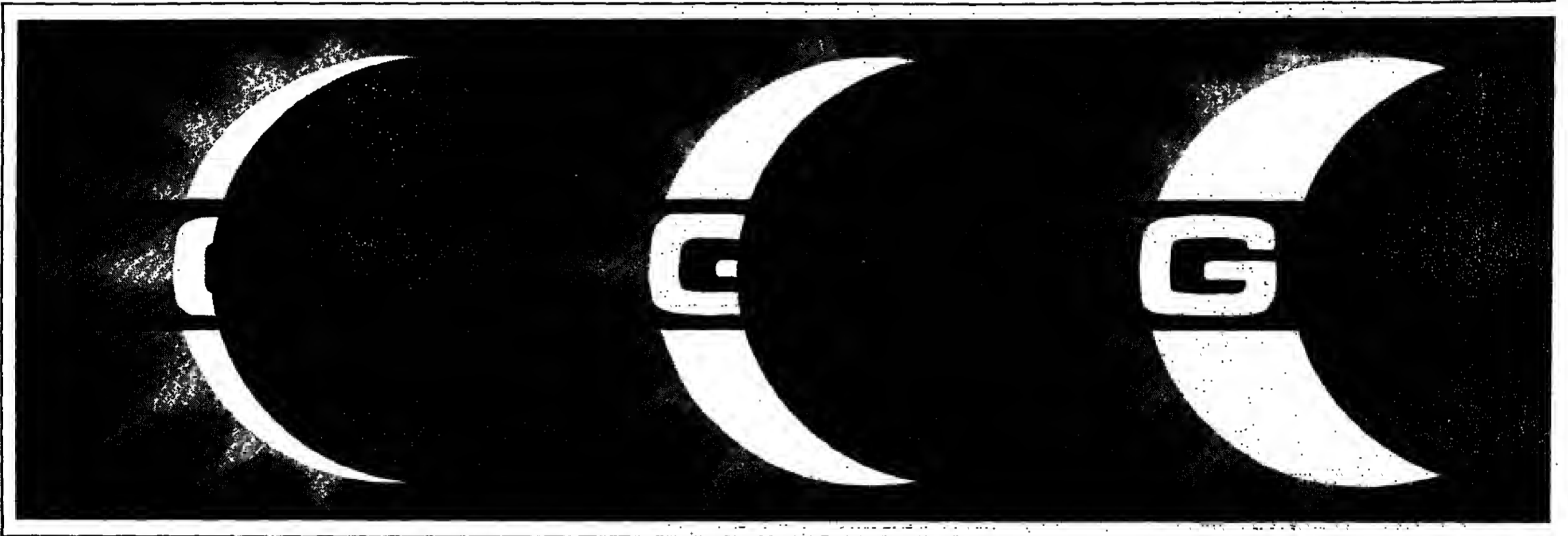
- Automotive Components
- Aviation Services
- Electrical Equipment
- Fire Protection Equipment
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The Annual Report and Accounts for 1987 will be available after 6 May 1988 from the Secretary, The Guthrie Corporation PLC, 6 Devonshire Square, London EC2M 4LA.

REVEALING

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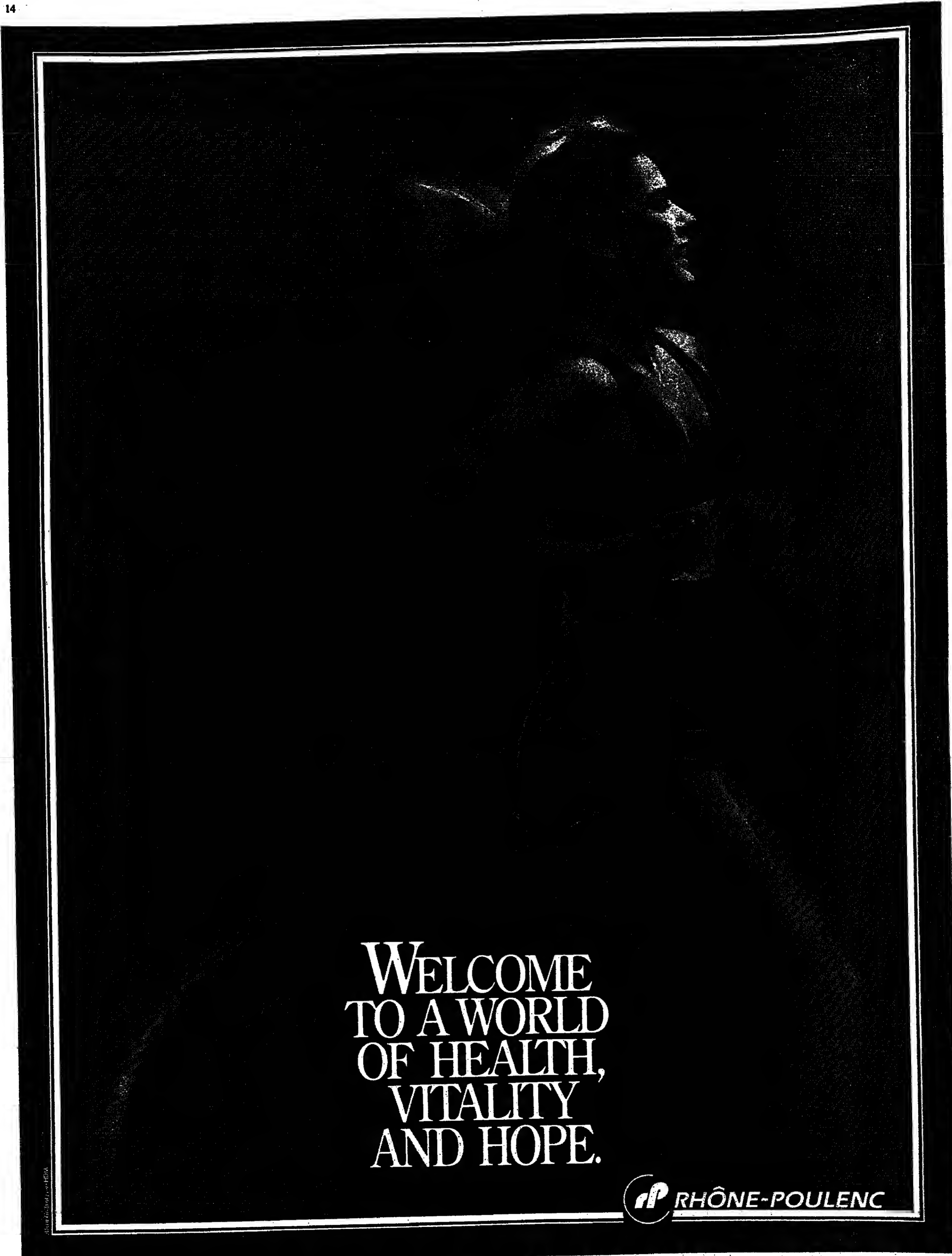
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TECHNOLOGY

ALL EYES in the US steel industry are turned towards Crawfordsville, Indiana, this year as a small steel company builds a plant commercialising a much-debated new technology which could have repercussions throughout the steel market.

If it is a success, the US\$250m plant will enable its owner, Nucor Corporation - a South Carolina-based mini-steel company - to force its way into the lucrative flat products sector of the steel market, an area which, because of high investment costs, has been closed to the growing band of mini-mills in the US.

The centerpiece of Nucor's plant - a thin-slab casting machine developed by West German plantmaker Schloemann-Siemag (SMS) - is expected to lead to significant savings both in investment and production costs, thus opening up the flat products sector to the smaller steel companies.

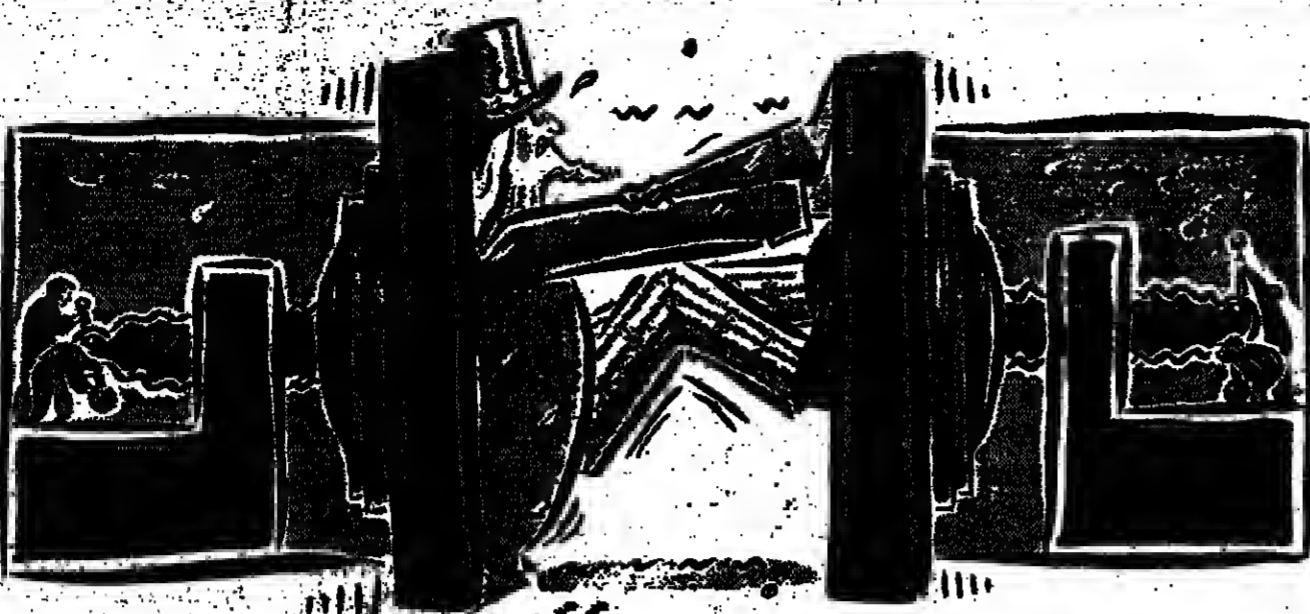
Nucor is in the vanguard of an expanding army of cost-efficient steel mini-mills in the US. By making one or two low-grade products - such as construction steel - more cheaply, these companies have wrested this market sector from the integrated steel giants. An assault by the mills on the 42m-tonne, US flat products market, the biggest and most profitable sector of the steel market, could significantly change the balance of power in the industry.

Nucor's mill has a capacity of only 800,000 tonnes a year, but two other mini-mills have already said they will follow the company's lead if its new project proves successful, and even the big integrated mills have been prompted to contemplate the technology.

"The new plant is more likely to nibble round the edges of regular sheet steel demand at first," says John Jacobson, steel analyst at Wharton, Econometrics in Pennsylvania. "Nucor has got way to go before it can compete with the big mills." But he concedes that the new technology does have the capability of altering the cast of the die in the industry over the long term.

By producing steel slabs much thinner than conventional products - two inches as opposed to 18 inches - thin-slab casting is expected to sharply reduce production costs. Ken Iverson, Nucor's chairman is predicting that cost savings will take \$50 to \$75 per tonne off the estimated \$380 a tonne it costs the big companies to make hot steel bands.

Thin-slab casting eliminates many of the interim rolling processes it takes to reduce a slab to the final 1/8 inch thickness of hot steel bands. For this reason, savings can be made in energy and manpower costs. With a flexible, non-union workforce, Iverson estimates that the company will be capable of producing steel with 1 1/2 man hours per tonne as opposed to the industry's existing average of 4 1/2 hours per tonne.



Crushing blow for US steel giants

Deborah Hargreaves explains how West German plant lets mini-mills move up-market

son estimates that the company will be capable of producing steel with 1 1/2 man hours per tonne as opposed to the industry's existing average of 4 1/2 hours per tonne.

Nucor is very much a pioneer, with its plant marking the culmination of the industry's 100-year search for a successful thin-slab casting technology. But this is not a role that bothers the entrepreneur, Iverson: "I don't feel it's a big risk. I think it's an exciting process and we feel very confident we can make it work successfully," he says.

Iverson has built Nucor into the most prominent mini-mill group in the US, adding a new facility almost every four years since the early 1970s, and exploring the latest technology in a bid to maintain a cost-efficient operation. With output from its four plants touching 1.6m tonnes last year, the company is casting its way into the top ten US steelmakers.

"Nucor has been able to operate at very high rates and has been able to make a lot of money with very little long-term debt," explains Jacobson. The company has been able to finance its expansion internally, an achievement he describes as a "unique experience" within the industry.

Traditional mini-mill products include reinforcing bars used in construction, and other shapes and angles - a business with very low margins that the big steel companies have kept themselves lean and efficient. Until now, however, the mini-mills, which melt scrap in electric arc furnaces instead of using the more costly blast furnace process, have been able to make only fairly low grades of steel.

Indeed, as big steel businesses in the US have undergone a painful process of cuts over the last few years, the mini-mills have

kept themselves lean and efficient. Until now, however, the mini-mills, which melt scrap in electric arc furnaces instead of using the more costly blast furnace process, have been able to make only fairly low grades of steel.

Completed while the steel is liquid, the facility leads to significant savings in energy costs. Once the slab emerges from the caster it is kept in an equaliser furnace to ensure it remains at an even temperature before it moves to the rolling mill. Conventional methods cool a slab and then reheat it before rolling. But in the SMS process the thin slab remains hot, passing through a heated tunnel to the strip finishing mill.

Because of the thicker size of current slabs, they are rolled many times by passing them through a roughing train before moving to a finishing mill. Thin-slab casting dispenses with this method so capital investment costs for a CSP plant are projected to be

18 per cent of the investment needed for a conventional process - although the CSP plant is on a much smaller scale. In addition, operating costs for a CSP complex are estimated to be almost half those of a much larger, conventional plant.

In its pilot plant, SMS has managed to cast a wide range of steel grades successfully, even several normally problematic alloys. But Fastert stresses the need for further development work on some of the more high quality product grades.

Fastert is looking forward to seeing the caster in operation commercially, stressing the implications it has for steel manufacturing. "There is a chance it will change the entire set-up of the industry," he says.

mills have been willing to concede to their aggressive competitors. But thin-slab casting could change all that by enabling mini-mills to move into flat products, albeit initially at the lower quality end of the market.

Iverson says he has already had a lot of interest from "any number of customers." He insists Nucor is not interested in entering a price war with the big mills in the flat products arena. "A lot of business is still taken by imported steel and we hope to compete with that," he states.

During its first several years of operation, Nucor's new plant will be excluded from the market for high quality sheet used in car body panels, the most quality-conscious sector of the flat products market. Iverson, however, is confident the facility will eventually gear up to the level required by the car-makers. It will do this by securing a supply of high quality scrap or by making an iron-rich feed stock called Direct Reduced Iron.

The high quality end of the flat products market is one with high margins and much coveted by big steel companies in the US. These have made a substantial investment in the past few years in response to greater quality demands from car manufacturers.

"Needless to say, every large steel producer is in contact with us to evaluate our product," says Herbert Fastert, president of SMS Concast, the US arm of the West German plantmaker. "Several companies in the big ten are seriously studying the conversion of some of their excess melting capacity to this method."

But the \$300m investment in a thin-slab caster is not one to be made lightly in the financially starved steel industry. "People are watching Nucor with bated breath to see if it is the success we say it is," says Fastert.

Nevertheless two other mini-mill groups, North Star Steel, a Minneapolis-based member of the Cargill group, and independent Birmingham Steel, have already signalled their intentions of following Nucor's lead. Birmingham has made clear its plan to seek a partner for a flat products joint venture.

Both companies will be watching eagerly the start-up of Nucor's plant in a year's time - a process that will be difficult, according to Iverson. "It could take some time to get all the pieces functioning at 95-97 per cent reliability, which is the level we require," he says.

The thin-slab casting technique has been tested on a pilot plant operation for the last 18 months. Fastert says SMS has deliberately explored the top and bottom of the caster's range. He is confident that the new plant will perform just as well on a large scale.

Metal Box puts extra life into French sauces

BY MAGGIE URRY

FRENCH COOKS, contrary to popular belief, seem happy to use ready-made sauces and toppings, such as mustard, tomato purée and tomato ketchup. And they, like other nationalities, are no doubt frustrated in the waste involved in the usual packaging systems such as cans and jars, where once opened the product begins to deteriorate.

With this drawback in mind, a company called Cuisine de France (CDF) is launching a range of such foods in aerosols developed by Metal Box, the UK packaging company.

The aerosols, which produce a flow of the sauce when the button is pressed with a pump rather than spray action, keep unused food away from the air and thus fresh.

Although more expensive than other types of packaging, the new containers should be

cost effective because less of the contents will be wasted.

Metal Box developed a new lacquer which is used to coat the inside of the aerosol can and does not affect the contents. In the middle of the container is a pleated pouch, developed by Raviro-spray Systems, a US group. Called "Grow Pak", this is filled with carbon dioxide under pressure.

As the sauce is used, the pouch expands, filling the space vacated by the product and so keeping the contents from contamination by air.

Another advantage is that the system does not produce the gases supposed to damage the Earth's ozone layer.

The outside of the aerosol container also has a special coating which enables marketing men to implement striking graphic designs to catch the eye of potential customers.

Barclays applies science to its software designs

BY ALAN CAME

BARCLAYS BANK is taking the plunge into "computer-aided software engineering" (CASE), a new technology which promises to bring scientific method to the art of software development.

It has decided to standardise its software production around a technique called Information Engineering Methodology developed by the consultancy James Martin Associates (JMA).

Essential to the methodology is a set of software tools called the "information engineering facility" (IEF), which JMA introduced in association with Texas Instruments, the US semiconductor manufacturer.

The purpose of the facility is to act as a "software factory" automating the production of software through from the development of the initial specifications to the production of the "object code" which tells the computer system what to do.

Barclays intends to use the methodology first on its "Global Banking Systems" project which will provide the bank with a world-wide branch banking network, replacing its existing system written by Arbat.

JMA has won a \$250,000 contract for work on the global banking system which includes the IEF.

Don Lonsdale, divisional director for Barclays Central Management Services Department says the decision to standardise on the JMA methodology was taken after a nine-month evaluation of all major systems development methods.

James Martin, a leading figure in the world of computer systems consultancy, has pioneered several of the most important developments in computer aided systems engineering.



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rigorous staff training programs. That must also be why other major European airlines rely on Iberia to maintain and service their planes. There's still one thing our technology hasn't

been able to improve upon though. Our hostesses' smiles. Their warmth and hospitality is absolutely natural. Right from the heart.



WARM TO THE EXPERIENCE.

JOBS

Latest indicators of management pay levels

BY MICHAEL DIXON

WHEN the first version of the accompanying table appeared in the Jobs column, the median salary of the general managers heading the list was £5,000. That was in 1975 and, then as now, the table's indicators of managerial pay in Britain were compiled from the surveys made by the Reward consultancy.

The study from which today's figures are drawn was carried out at the start of the year, and is based on more than 24,000 items of information about the pay of managers employed by almost 800 organisations. They range from big to small, and include a wide variety of different types of business operating in all regions of England, Scotland and Wales.

Whereas the full survey covers six ranks of the managerial hierarchy, however, my table refers to only one. It is the rank immediately below board-level, although in small companies the managers in question may be directors while doing essentially the same kind of work. Anyone wishing to know more about the study should contact Reward's Bill Coullfrey at 1 Mill Street, Stone, Staffordshire ST15 8BA; telephone 0785 818666, Fax: 0785 817007.

	LOWER QUARTILE		MEDIAN		UPPER QUARTILE	
	Basic salary £	Total money reward £	Basic salary £	Total money reward £	Basic salary £	Total money reward £
Rank One = Most senior manager below level of director* in:						
General management	18,476	19,000	24,588	26,025	31,476	33,375
Advertising and PR	21,550	22,250	24,280	26,000	30,000	30,800
Legal advice	20,378	20,378	25,824	25,875	30,000	30,158
Finance & accounting	19,500	20,086	22,022	23,000	28,750	27,500
Scientific department	19,153	19,153	22,295	22,598	28,000	27,500
Marketing	18,528	18,528	21,842	22,810	28,000	27,500
Company secretariat	18,522	18,522	21,000	22,025	28,000	27,500
Personnel	18,194	18,496	20,244	21,200	28,000	27,500
Computing	17,500	18,188	21,000	21,083	28,000	27,500
Sales	17,450	19,000	20,000	21,000	28,000	27,500
Research & Development	17,050	17,104	20,000	20,448	28,000	27,500
Distribution	17,400	17,758	19,386	20,380	28,000	27,500
Administration	17,400	17,800	20,000	20,174	28,000	27,500
Engineering	16,458	16,806	18,975	19,335	28,000	27,500
Purchasing	16,950	16,950	19,075	19,215	28,000	27,500
Management services	15,858	15,983	18,632	19,180	28,000	27,500
Quality assurance	17,200	17,532	18,857	19,172	28,000	27,500
Production	15,853	16,367	18,477	19,070	28,000	27,500
Surveying/architecture	16,368	16,368	18,359	18,359	28,000	27,500
All Rank-One managers	17,490	18,299	20,258	21,000	28,000	27,500

* In small companies could rank as director, otherwise reporting directly to board.

would come a quarter way up from the bottom of a ranking of all doing the same type of job at the same level in the hierarchy. The next four columns refer to the median manager who would be placed halfway in the ranking, and give the latest basic salaries and total money rewards as well as the corresponding figures from the survey the consultancy made at the beginning of last year. The final pair of columns give

the newest figures for the upper quartile manager who would come a quarter way down from the top of the ranking. Before readers compare their own position with the indicators, I hope they will remember that no salary survey can give better than approximate information. They should also bear in mind that pay varies with such things as the size of the employing organisation, and whereabouts

in Great Britain it is located. For example, by comparison with the all rank-one managers' median basic salary of £20,258, the regional medians varied as follows: Higher: London by 19.7 per cent, Scotland by 5.3, and South-east England by 3.3 per cent. Lower: North-west England by 3.7 per cent, the North-east by 5.1, Eastern Counties by 9.2, the South-west by 10.6, and the West Midlands by 11.2 per cent.

Variations from the £20,258 median by company turnover were - Higher: £100m-plus by 28.7 per cent, and £40m-£100m by 12.2. Lower: £15m-£40m by 1.3 per cent, £5m-£15m by 7.0, and up to £5m by 11.2 per cent.

The corresponding variances by size of payroll were - Higher - more than 4,000 employees by 27.1 per cent, 1,001-4,000 by 11.5, and 601-1,000 by 3.7 per cent. Lower: 201-500 employees by 6.7 per cent, and up to 200 by 3.7 per cent (the companies with the smallest payrolls seem always to pay managers better than those in the next larger payroll bracket).

In addition, Reward's staff recommend that all the figures should be increased by 1.5 per cent to allow for the time that has passed since the information was collected.

City batch

NOW to a clutch of jobs based in the City of London being offered through two different recruitment consultants. Since they may not name their clients, both promise to respect any applicant's request not to be identified to the employer at this stage. The opening pair are being handled by David Mason Jones of Lansdowne Recruitment (Kew Bridge House, Kew Bridge Rd, Brentford, Middlesex TW8 0EJ; tel 01-893 2925, Fax 01-893 8945). His first post is for the head of a

small team responsible for all aspects of corporate finance documentation in a European-owned international bank. Those applying should be qualified lawyers with copious experience of the work involved. Fluency in a Continental language would help.

Salary around £55,000, plus usual munificent City banking perks.

The second of the pair is for a recently qualified accountant acquainted with finance-sector operations to undertake internal and operational audits. While most of the work will be done in London, there will be some travel in Europe and to the Far East.

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NEXT comes headhunter Stuart Clifford of the Badenoch & Clark consultancy (6-18 New Bridge St, London EC4V 6AD; tel 01-583 0078, Fax 01-583 3908). He seeks a senior export finance specialist for the London branch of a New York bank.

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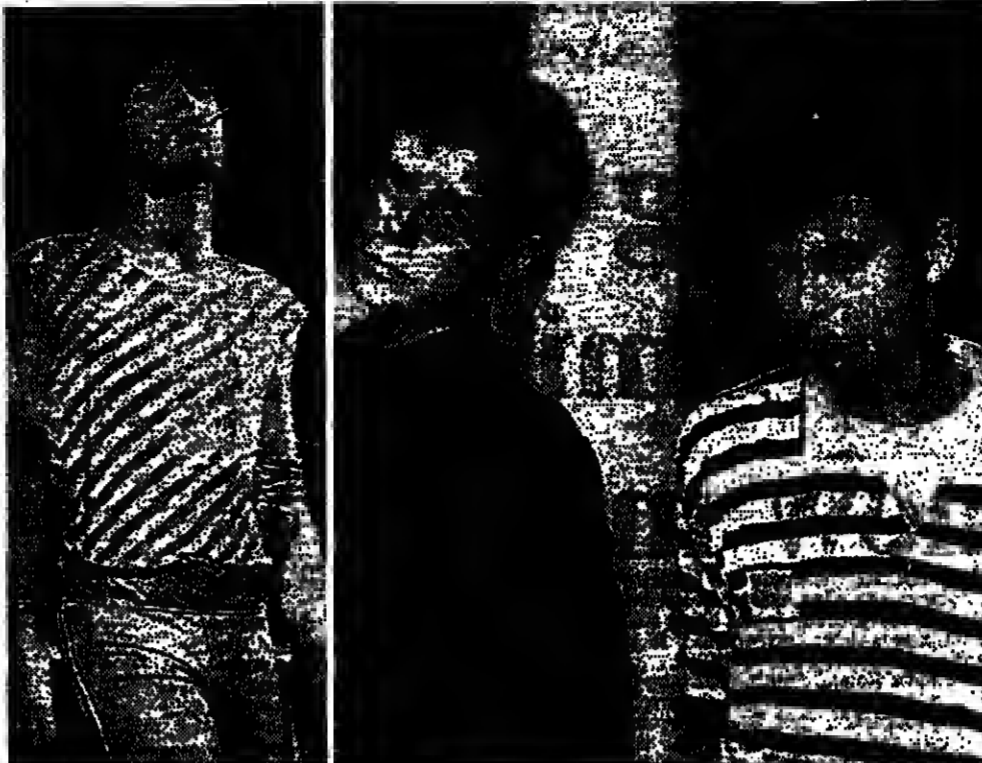
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Television/Christopher Dunkley

Pop goes the youth cult

Today the phrase "Elvis The Pelvis" sounds like a joke, but in the 1950s when it was current it had a very serious meaning for middle class middle aged Americans: they saw nothing entertaining in the singer's thrusting hip movements, especially when accompanied by the curbed hip and the leers. Teenage girls should not be allowed to set eyes on such things, they declared, and so television showed his performance only from the chest up.



Mick Jagger: a threat to both sexes in the sixties, and the Pet Shop Boys, darlings of the current pop programmes

The main difference between TOPP and the others is that the first is a massive ratings success, still able to attract more than 10m viewers after 24 years, while the others have neither the staying power (The Tube is dead and The Boaty is dying) or the audience pulling power. Moreover they all look quite startlingly similar, so much so that a non-TV switching into any of these programmes half way through would be quite unable to say which he was watching.

Mignon/Tours

Ronald Crichton

Once upon a time Mignon was among the most popular of all operas, reaching the 1,000th performance at the Opéra-Comique less than 30 years after the premiere in 1855, a conversation of the repertoire until well into the present century. Then near-oblivion for the work and its composer Ambrise Thomas. After Mignon and the comparably successful Hamlet, Thomas settled down to a long spell as director of the Paris Conservatoire. Later works were failures: by Parisian standards he had been about for too long. Though he looked the part so well, he never became a Grand Old Man, rather an object of scorn to younger musicians.

The Musical Comedy Murders of 1940/Greenwich

Michael Coyne

The Musical Comedy Murders of 1940 by John Strachan is a thriller spoof recently originated in New York by the Circle Rep, is just the sort of off-beat, well-cast and unexpectedly enjoyable production we have come to expect from Alan Strachan's regime at the Greenwich Theatre. Various Governors and so-called "Friends" who have just knifed Mr Strachan in the back have no doubt been studying the genre.



Simon Cadell and Maria Friedman

In many ways the show is typical of Mr Strachan's tactical impresarial instincts. The script is much wittier than its obvious "murder in the midnight mansion" models of Agatha Christie and, in more melodramatic vein, the 1924 stage thriller that seemed to inspire the concept. The play opens with a murdered maid's obituary in the Evening Standard. It has the advantage of a knowing, stylistic objectivity. And it can juggle around camp references and narrative excess without falling between stools.

Pro Musica Sacra/St John's

David Murray

On Monday Bruno Turner, whose services to Renaissance music have been invaluable these many years, conducted luminous performances of Hispanic motets for Holy Week - from Mexico as well as Spain - and a Portuguese requiem mass. The Pro Musica Sacra choir proved worthy rivals to Holy Week's sophisticated group The Sixteen (which is unqualified praise), and the programme was cunningly interspersed with music for a fine quartet of London Wind Consort cornets and sackbuts. It was a concert that should have and a capacious and several hundred strong, not just the modest band of devotees who actually came. People flocked to Roger Norrington's revelatory Schütz series in the '60s, after all; somebody must market Turner's discovery.

Raping the Gold/Bush

Claire Armitstead

Lacy Cannon is that interesting and enviable phenomenon: a woman who, having spent the early part of her career doing one thing, turns round and proves she can do equally well at another. A residential care worker for 20 years, she follows her husband's lead into the theatre world with a play that is fascinating not so much in its subject matter - Raping the Gold is a recession drama in the mood of the early '80s - as in its delight in raw theatricality. Here are big, strong symbols and without any self-consciousness but equally without pretentiousness and allowed full rein by director Debbie Shewell.

Saleroom/Antony Thorncroft

Back to earth again

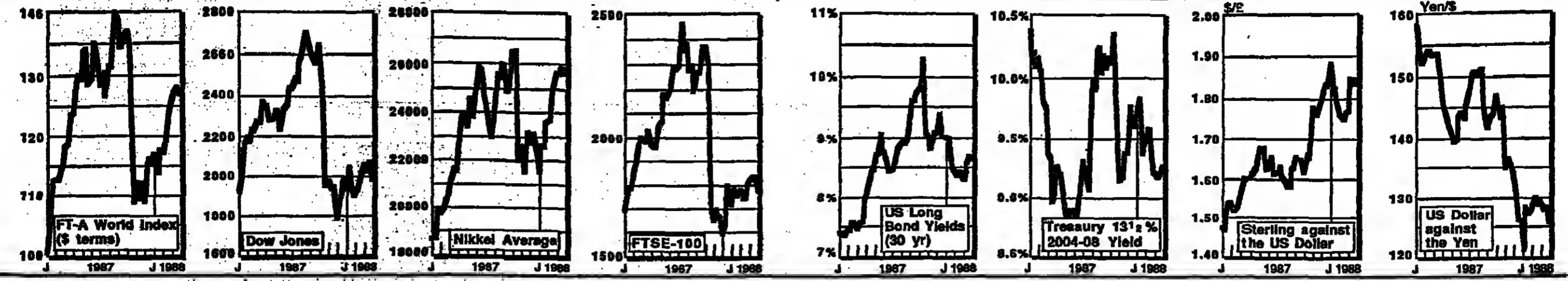
After the Lord Mayor's Show... Christie's got off to a tremendous start on Monday night when it sold top quality Impressionists and Moderns for £18,540,500, with only 12 per cent bought in. Yesterday it returned to earth, disposing of second division pictures of the same period for £2,518,010 and with a more hefty 28 per cent bought in. The Monday auction showed how quickly the market has picked up at the top end after the October stock exchange crash. Indeed there was only ever the slightest dip in demand. The £4,840,000 paid by a telephone bidder for a Modigliani portrait of his friend, the Greek composer Marios Vargiolis, was double estimate and particularly encouraging. It was a fine, large, canvas, and has the added interest of being perhaps the last Modigliani ever painted.

Arts Guide

Arts Guide section containing listings for Theatre (London and New York), Music, and Visual Arts. Includes details for 'The Best of Friends' at the Apollo Theatre and 'The Search for Signs of Intelligent Life in the Universe' at the Royal Opera House.

Financial Times advertisement for Extel Financial, offering first class service and a professional approach. Includes contact information for London, Brussels, and New York, and a promotion for 12 free issues.

Stock market jitters have undermined the recovery of confidence since the October crash. Alexander Nicoll and (right) Stefan Wagstyl report



Shaking the kaleidoscope

Tokyo cuts the Wall St strings

THE FINANCIAL meltdown of October 1987 was bound to leave a legacy of fear that it could all happen again. This concern never far from the surface since the equities crash, has re-emerged in the past week. Stock markets, which had mostly been quietly heading upwards, suddenly suffered a new bout of nervousness and dropped sharply in Europe and North America. The dollar fell and bond markets faltered. Doomstayers reminded us that five months after the 1929 crash, stock markets again lurched down as the second phase of a sustained bear market began.

Comparisons with 1929 remain far-fetched in the view of most economists and market watchers. Economic rules are stronger and authorities more flexible and co-ordinated in their response to market movements. The crash has not pole-axed economic growth as it did in 1929.

Nevertheless, there is no doubt that the dollar has lost some of its lustre and market watchers believe it will take a very long time to recover.

Most obviously, it dealt a blow to investors' confidence and willingness to deal. Many small investors have retired hurt after being enticed into taking a speculative crack at the markets. Larger investors are equally cautious. Warburg Securities estimates that UK pension funds have increased the proportion of their assets held in cash and not committed to investments to about 9 per cent, the highest since the dark days of 1974.

Low stock market volumes also testify to reduced investor confidence. This sluggishness is putting pressure on securities firms which depend on turnover for much of their livelihood. That, in turn, makes market-making firms - those which undertake to make a two-way price in stocks - even less willing to be heroic in the face of a downturn in the markets. They remember that many of them

lost money by taking stock on to their books as the markets spiralled downwards in October. In some eyes, they were fulfilling their function of trying to maintain orderly markets, but in others they simply misjudged the markets' mood. Unwilling to repeat that experience, market makers are tending to keep less exposed positions, neither long nor short. This adds to the potential for more nervous volatility in the market.

Investors have been nervous about what types of stocks to choose. In the UK and Europe, the emphasis has been on blue chips which are likely to have assured liquidity. Some of the smaller markets are still suffering severely from the illiquidity exposed by the crash.

In the UK, Warburg Securities is forecasting that pension funds will continue to correct the imbalance in their portfolios. Before the crash, equity holdings had risen to 78 per cent with those of gilt-edged securities down to 12 per cent. The remainder is divided between cash, property and index-linked gilts. The equities/gilt-edged split is forecast to be 68/32 by the end of the year. UK equities are expected to represent only 43 per cent of their portfolios compared with 57 per cent before the crash.

In the US, the hesitancy of investors has manifested itself in a different way. Blue chips have not been performing as well as "special situation" and second line stocks, particularly those affected by the wave of cash takeover bids as predators have attempted to swoop on companies viewed as undervalued since the crash.

Corporate earnings growth is still expected to be quite strong in most of Europe and North America, in theory providing a strong underpinning for stock markets. But it is difficult for them to get away from the belief that a recession may merely have been delayed - even though economists

point out that tighter fiscal policies from an incoming US administration could not really hit into the economy until 1989.

The crash showed how markets are linked to each other, if not always by actual flows of capital, then at least by information technology which allows changes in sentiment to be transmitted instantaneously around the world. An additional phenomenon has been the close linkage of different types of market. Currencies, bonds and equities increasingly react to each other's movements.

Against this background of apprehensive investors there are persistent uncertainties about economic fundamentals. Stock markets, notes Ma Maria Ramirez, an economist at Dresel Burnham Lambert in New York, currently find it difficult to react to positive economic news. In an atmosphere in which most reactions are knee-jerk, she says "I don't think knee-jerk reactions will be generally positive."

After the post-crash rise in stock markets, some concern is understandable. It would be surprising if equities were blithely to approach and pass levels which, in October, were deemed to be so highly speculative that they could fall as much as 100 per cent in a single day.

It could be argued, after all, that the economic fundamentals remain essentially unchanged: that markets are simply looking through a kaleidoscope at the same places shaken up a different way. Before the crash, they had for months been trending a knife-edge between fears of a US recession and fears of an overheated, inflationary economy. Meanwhile, markets were uncertain about whether the dollar's fall had ceased or still had a long way to go. The arguments, it could be said, remain the same.

Markets are transfixed by the dol-

lar. If it looks like sliding downwards, stock and bond markets in both North America and Europe tend to weaken. This attitude clearly contains contradictions. In more normal times, a falling dollar might be seen as good for the US stock market since it makes US export industries more competitive. But investors allergic to instability see a sliding dollar as a harbinger of higher interest rates and another crash. Before the crash, the hope was that the dollar's fall could be contained, and therefore it would not disrupt the buoyant stock market. The dashing of that hope partly explains the current obsession.

In view of markets' preoccupation with the dollar, perhaps the most encouraging sign is the emergence of a healthy divergence of views about which way the dollar will go. Previously, there was no doubt in the markets' mind: the dollar was heading down, the only questions were how far and when.

There are still many who believe that it must fall further. Economists at J. P. Morgan, in the US bank's influential publication World Financial Markets, argue that a further rise of the yen is inevitable. Though Japan's visible trade surplus will narrow, their projection is that the current surplus will still be \$68bn in 1990 - some \$20bn below last year. More adjustment is necessary if a sustained surplus is not to overshadow financial markets. Since Japan is unlikely to give a further boost to domestic demand, a much higher yen is inevitable.

James Capel, the UK stockbroker, also argues that the dollar will fall. "Though the US trade gap has been falling, it still amounts to a massive deficit." Other economists believe that continuing economic growth in the US is creating inflationary pressures which the authorities will not want to check through higher interest rates in a presidential election

year. But a growing number of economists are now taking the view that most of the necessary adjustments have taken place. Mr Robert Rusea, of Nikko Securities in New York, says it is wrong to suggest that the dollar must decline still further. After the already substantial fall, the US trade deficit is being reduced, he says. The country's manufacturing output is rising to such an extent that there may be some capacity constraints by the end of the year.

Last week, he and others argue, the US bond market simply reacted to the realisation that the economy was not slipping into recession. This implies higher interest rates than it had expected. So bond prices fell. At the same time, the currency markets were - probably wrongly - anticipating a wave of Japanese dollar selling at the beginning of the new fiscal year, and so pushed the dollar lower.

By yesterday, however, markets had stabilised the dollar. US bond prices and almost all the world's stock markets were rising.

In the weeks ahead, despite some volatility, the uncertainties affecting stock market investors may lead to a dull period. Markets may go neither up very far, nor down very far.

Before the crash, most people, even against their better judgment, expected markets to keep going up. Now there is no strong feeling about which way markets should go, arguably a healthy state of affairs.

But this ambivalence is not to be found in Tokyo. There, all seem united in believing in the market's inextricable rise. Levels of share prices relative to corporate earnings, which seem extraordinarily high outside Japan, are now rationalised as being simply part of the Japanese market. There are undoubtedly good reasons to believe in the strength of the Tokyo market, but could the absence of doubt be a warning?

WHEN JAPANESE financial institutions close their books tomorrow on the 1987-88 financial year, the accounts for foreign investments will be covered in red ink, while the domestic results will be a comforting shade of black.

The stark contrast will only reinforce the conviction of Japanese investors that the safest place for their funds is the Tokyo markets. While the US dollar has not declined as precipitously since the October equities crash as it did before, the Japanese are wary of exposing themselves once more to the risk of severe losses.

"I don't think anybody will want to invest in dollar securities at the moment. If they do they will hedge," says Mr Etsushi Ishihara, managing director of the international division of Yamaichi Securities, one of Japan's Big Four stockbrokers.

Japanese institutions are instead piling their funds into the Tokyo stock market, sending the Nikkei index of leading shares to within 5 per cent of its post-crash high. Most Tokyo analysts expect this to continue. Mr Peter Tasker, general manager of research at Kleinwort Benson International, an arm of the UK merchant bank in Tokyo, says: "There's incredible momentum behind the stock market at the moment."

The first reason for this is that the October crash affected Tokyo much less than other equity markets, and the subsequent performance reinforced Japanese investors' faith in their home market. In particular, the old notion was killed that Tokyo was just another Pacific market dancing like a pasticette to Wall Street's tune.

When confidence flagged at the turn of the year, the Japanese

authorities were quick to intervene - changing the rules on Tokkin funds, an important form of investment vehicle, in a (successful) bid to discourage liquidation. However, intervention would have been hopeless without some powerful underlying forces driving investors to the equity market. The most important is belief in the strong growth of the economy. Company profits are expected to have grown by 20 per cent in 1987-88, with a further 10 to 15 per cent forecast for next year.

Fears of inflation occasionally surface in the domestic markets, illustrated by a slight fall in bond prices since the beginning of the year. There is concern that growth in the money supply, which has helped to fuel rises in property and equity prices, might eventually spill into the economy as a whole. But this is offset by a belief that the strength of the yen can keep down the costs of imports, especially oil.

The weight of money in the hands of Japanese institutions is pushing them to invest in domestic equities, especially as the government bond market is this year shrinking with heavy redemption of issues made during the period of big deficits in the 1970s. Yamaichi Securities estimates that ¥9,000bn (£39bn) is waiting to be invested in equities.

Inevitably, some of this money will have to go abroad, sooner or later. There are a few signs that some investors who have previously been slow to do this, notably pension funds, will follow the trail blazed by the life insurance companies. There is some interest, too, in non-dollar foreign securities, including British bonds and equities. But no one will be in a hurry to invest this money in the first few days of April.

Letters to the Editor

Pension attitudes in culture shock

From Mr Malcolm Ballist.
Sir, If Mr Hitchings (Letters, March 24) is young enough and patient, he will see a change of attitude among employers and trade unions.

After years of employers being able to dictate compulsory membership of pension plans as a condition of employment, this right has suddenly been withdrawn. Trade unions saw compulsory membership as an opportunity to negotiate improved benefits for members along with pay and other employment conditions. What we are experiencing now is a culture shock.

While it is true that most employers are against portable pensions, many have amended their occupational plans to make them more competitive with personal pensions. An important change has been employers' selling occupational schemes, with videos, meetings and counselling. Getting "over the wall" looks like being difficult for the employee who has a change of

heart. A young employee may well decide that his (or her) pension contribution is needed for the mortgage. By the time he is 35 or 45, and changes his mind, a personal pension will be the only option if entry to the employer's plan is refused.

Unless attitudes change (I suspect they will), a growing number of employees will have personal pensions and, on changing jobs, negotiate some employer contribution towards them.

Mr Hitchings's letter to the FT happened to be printed beside the Department of Health and Social Security pensions advertisement claiming that employers will be able to offer "money purchase schemes". I quote: "These particular schemes are not salary related, so they can be operated without increasing your wage costs." One wonders if there is no cost, what will the benefits be like?

Malcolm Ballist,
25 Elligate Street, W3

The old proverb still applies

From Mr R.N. Lindop.
Sir, In his letter (March 24), Mr C.D. Hitchings comments that "it was predictable that the Confederation of British Industry (CBI) would be against portable pensions."

I have news for Mr Hitchings: the CBI is certainly not against "portable" pensions - or personal pensions, as they are more usually described. With half of those in employment outside occupational pension schemes, we believe there is considerable scope for such employees to use personal pensions to enhance the incomes they will receive in retirement. We also welcome the new flexibility for employers to set up schemes on a "defined contribution" basis as well as on a defined benefit basis.

What does concern the CBI, however - and it is a point that Mr Hitchings fails to address - is that under existing occupational schemes provide a range of benefits and safeguards going far beyond the provision of an income in retirement.

Such benefits, provided as an integral part of the pension scheme, often include disability benefits for those who become unable to continue working, and benefits for widows, widowers and other dependants in the event of an employee's death. If employees choose to leave their occupational pension schemes in favour of a personal pension, they are unlikely to find such benefits and safeguards provided on an equivalent scale by the personal pension plan.

Accordingly, the CBI has nothing against personal or money purchase pensions, or against freedom of choice for employees. Where employees are currently in a good occupational pension plan, however, we would urge them to have in mind the old proverb: look before you leap.

R.N. Lindop,
Employment Affairs Directorate,
Confederation of British Industry,
Centra Point,
108 New Oxford Street, WC1

Consumers' Association should have no room for politics

From Miss Eirlys Roberts.
Sir, Mr Bebban, the new director of Consumers' Association (CA), publishers of "Which?" is quoted as suggesting that he is going to cut loose the organisation's middle class bonds and look after the interests of the old, the unemployed, the less well-off.

For over 30 years the CA council and staff have been trying to do their bit towards making our society fairer: giving people - of all classes - information, previously hidden from them, which

would put them on equal terms with the manufacturers of goods and the suppliers of services. Not everybody chooses to read "Which?" The council and the previous director took the lead in setting up high street consumer advice centres, where those who do not like reading technical magazines could get the information they needed by word of mouth. CA conducted campaigns for safe goods; for clearer and more informative labelling; for fairer conditions of sale; or a cooling-off period in doorstep sell-

ing; against excessive rates of interest. It campaigned against the lawyers' conveyancing monopoly and against fire hazards in shops and in the home. It founded and funded an organisation which investigates hospital meals, alarms for the elderly and transport systems for disabled people. It campaigned for adequate heating for the elderly and access for parents to children in hospital.

All this activity was carried out by a domestic director working in concert with a mainly left-wing council which had chosen him and kept him in office for over 20 years. During my 15 years as editor of "Which?" I remember no real disagreement of principle or policy between them. There were no party politics, no narrow class bias, no narrowness about class which Mr Bebban seems to feel so keenly and from which we were happily free.

Eirlys Roberts,
European Research Into Consumer Affairs,
8 Lloyd Square, WC1

It is illogical that one method of broadcasting should be protected

From Sir Patrick Meaney.
Sir, The Rank Organisation has expressed its desire and ability to establish a terrestrial broadcast pay television service, and has requested Government approval as early as possible. We applauded your constructive letter of March 14, which argued that "extra over-the-air channels will be the cheapest way to provide extra choice for most British viewers," and that it would be wrong if the Government "went slowly on the new terrestrial channels to help existing channels or protect Direct Broadcasting by Satellite (DBS)."

It was therefore disappointing to read the negative reaction from British Satellite Broadcasting (BSB) (Letters, March 18). I

should like to comment on the four arguments BSB put forward against giving the go-ahead for further terrestrial channels.

First, coverage. It may well be that 100 per cent coverage from a new terrestrial service cannot be achieved - incidentally, it is not possible for the BBC or the Independent Broadcasting Authority (IBA) to achieve this at present - but all the indications are that a large proportion of the population could be reached by such a service. It is hard to understand why a majority of viewers should be denied the opportunity to receive a new service simply because it may not be possible for a minority to have it.

Second, costs. Here the simple fact is that the equipment needed

to receive a terrestrial broadcast pay-TV service will cost the viewer about half what it would cost to receive television by satellite.

It is illogical to try to justify that one particular method of broadcasting should be given protection, or an artificial competitive advantage, against another method of broadcasting.

Finally there is the question of the oddly titled "restrained competition" for broadcasting.

The facts are that the development of proper competition is bound to be restrained by the limitation of what is technically achievable as well as by any regulatory conditions which the Government chooses to establish. It is not clear that there is any

consumer advantage, let alone necessity to impose additional market restrictions. Moreover, given the international competition from projects outside UK jurisdiction such as Astra and Eutelsat, which BSB is powerless to prevent, it is distinctly odd - and self-damaging - to suggest that British enterprises should be restricted when foreign enterprise cannot be.

Our request is a simple one: please put all of us in a position to compete fairly as quickly as possible, and give the British customer a free market choice within Government guidelines.

Patrick Meaney,
The Rank Organisation,
6 Connaught Place, W2



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CRANE FRUEHAUF

Mishandling of nationalist problems could spark reactions far beyond the Soviet Union, writes Bruce Clark

Armenian conflict puts Gorbachev to the test

MR MIKHAIL GORBACHEV'S handling of the conflict between Armenians and Azeris is widely seen as a test of his ability to control the impact of his attempts to reassert Moscow's rigid control over the Soviet empire...

of Nagorno-Karabakh, a mountainous region of Azerbaijan where most people are ethnic Armenians. As hundreds of thousands of people took to the streets of Yerevan, the Armenian capital, last month, and word came of a bloody anti-Armenian rampage in the Azerbaijani city of Sumgait, diaspora newspapers (Los Angeles alone has six) began activating a rich network of contacts...

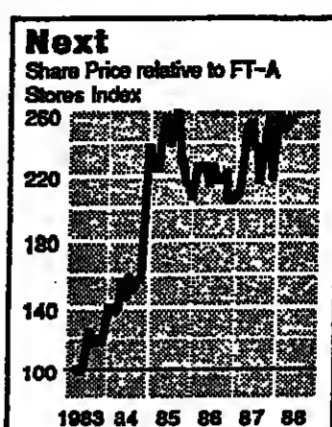
any repeat of the bloodshed in Sumgait. Official media reported 32 deaths, while some Armenian nationalists say the toll ran into hundreds. The report that Moslems speaking a language closely related to Turkish (Azerbaijani and Turkish are mutually intelligible) were killing Christian Armenians provoked deep stirrings of statist fear both in Soviet Armenia and the diaspora.

support) to block the efforts of American-Armenians, such as Mr George Deukmejian, the governor of California, to have the genocide recognised by Congress. The Kremlin has sought to allay Armenian outrage at last month's Sumgait incident by ordering widespread sackings in the Azerbaijani administration and making public criticism of the Azerbaijani leadership's handling of the situation.

Western Armenians say they understand Mr Gorbachev will keep the future of the Azerbaijani leaders under review, though any immediate changes either there or in the party leadership in Yerevan will be avoided for fear of exacerbating a delicate situation. Apart from the precedent that a boundary change would set for other aggrieved Soviet nationalists, Mr Gorbachev is no doubt conscious that conceding too much to the Armenians would badly upset the Azeris, who are already believed to be alarmed at the political demise of their kinsman Mr Gueydar Aliyev, one of Brezhnev's most senior aides.

Paying dear for Rover's keep

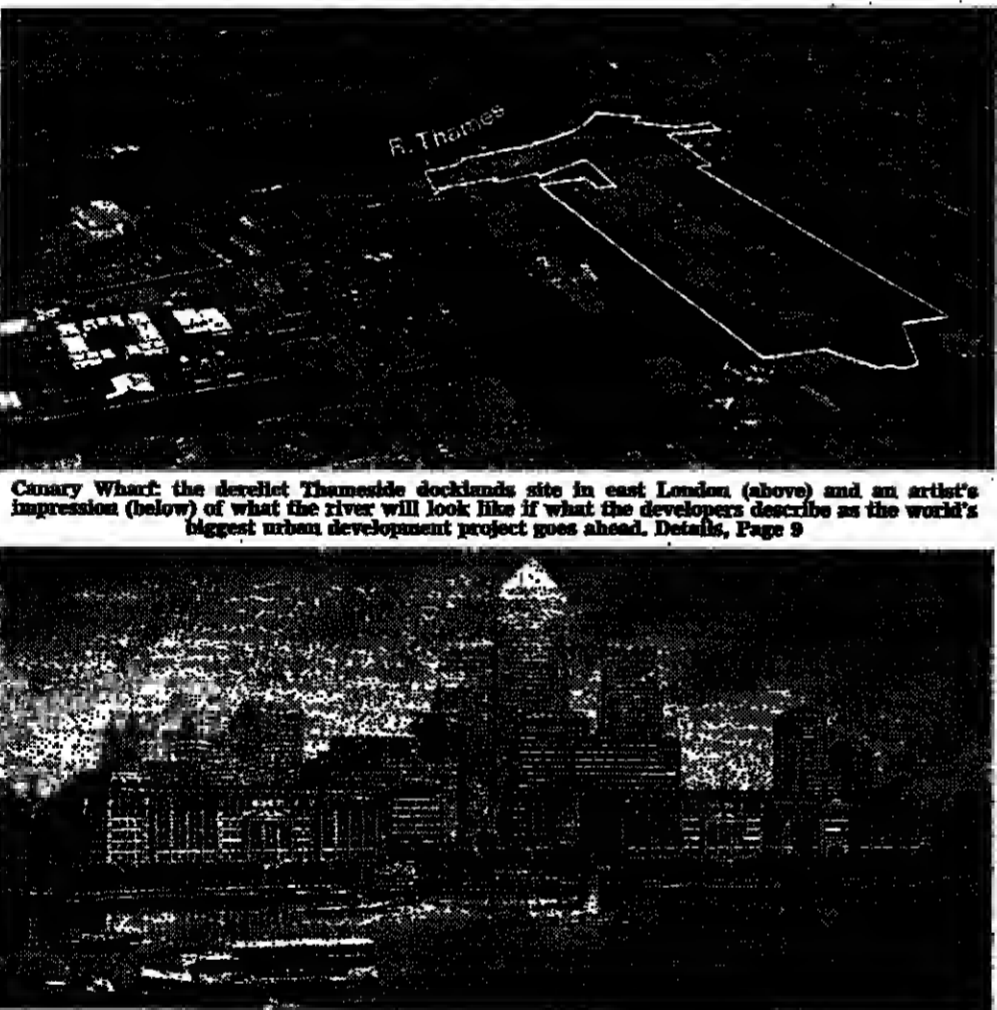
The initial 22 per cent jump in the British Aerospace share price yesterday says it all. The City of London had expected Professor Smith to charge a fee for taking on Britain's volume car industry, but no-one expected him to go away with a net \$550m. It would have been nice to see offers to do the job for less, and there would have been plenty of equally qualified candidates - BP as a petrol producer, say, or Midland Bank as a specialist in dud loans. But it seems the deal is done, Brussels permitting, and all that remains is for the Government to give a fuller explanation of its remarkable generosity with taxpayers' money.



level of Guinness's liability to Distillers' shareholders - anything between zero and £100m is possible, though the City is expecting something in the middle of that range. The figure is not a matter of life or death for a company with £200m positive annual cash flow. And although rival bidder Argyl cannot have failed to find yesterday's decision encouraging, the prospect of a writ against Guinness from that quarter also failed to alarm. Whatever the merits or demerits of Argyl's case, the market seems simply to dismiss the prospect of the company doing to Guinness what Pennzoil did to Texaco.

Dole quits race and puts support behind Bush

By Lionel Barber in Washington SENATOR Robert Dole of Kansas yesterday quit the Republican presidential race and pledged his support for Vice President George Bush who is now assured of the party's nomination. In a brief speech in Washington, Mr Dole bowed to the inevitable, telling cheering supporters: "I have been beaten before and no doubt will be again. But I have never been defeated and never will be."



Canary Wharf: the derelict Thameside docklands site in east London (above) and an artist's impression (below) of what the river will look like if what the developers describe as the world's biggest urban development project goes ahead. Details, Page 9

Israeli army threatens to extend shutdown

Continued from Page 1 by the US Secretary of State, Mr George Shultz, as well as Israel's forthcoming 40th anniversary celebrations. For the first time since June 1967, Israel and the occupied territories - excluding the annexed areas of East Jerusalem and the Golan Heights - were completely sealed off from each other yesterday. Increasing the sense of isolation among Palestinians, all telephone lines between Israel and the Gaza Strip were cut on the army's orders.

Pound up as Tokyo supports \$

BY SIMON HOLBERTON IN LONDON STERLING rose sharply on foreign exchange markets yesterday and the dollar staged a mild recovery after the Bank of Japan intervened to support it. The pound gained two pence and more than a cent in active trading. Most of the gains occurred earlier in the day in Far East trading but traders said they were well supported and extended by solid corporate business in London and Europe.

British Aerospace strikes Rover deal

Continued from Page 1 Iridised by Labour leaders for selling the company "on the cheap". Mr Bryan Gould, Labour's trade and industry spokesman, attacked it as "an act of political irresponsibility and industrial sabotage" and demanded assurances about future investment and employment.

World Weather table with columns for location, temperature, wind, and other weather details.

ANC accuses S Africa of Dulcie September murder

Continued from Page 1 victims of the raids, however, have had no ANC links. Guma, an alleged South African, has also been responsible for killing or kidnapping ANC officials in Zimbabwe, Lesotho and in Swaziland.

ADVERTISEMENT section containing ads for DEFENCE (Additional training facilities), FUEL DISPENSING (Star line-up), ISC expansion, and Briefly... (Ferranti International selling technology).

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday March 30 1988

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Beazer takes Koppers bid battle to local newspapers

BY JAMES SUTHERLAND IN NEW YORK

BEAZER, the UK-based house-building and aggregates group which is battling for control of Koppers of Pittsburgh, has sought to quell a storm of local opposition to its \$1.75bn bid by buying full advertisements in the city's newspapers.

In an open letter to the city and employees of the chemicals and materials group published on Monday, Mr Brian Beazer, chairman of the UK company, challenged a wide-ranging Koppers campaign against Beazer and its partners in the bid, NatWest Investment Bank of the UK and Shearson Lehman, the Wall Street investment firm controlled by American Express.

The campaign, which has stirred Wall Street with its vigour and stridency, has enlisted the support of Pennsylvania state officials, from Governor Robert Casey downwards, and local US congressmen, who allege that the takeover could cost some of Koppers' 1,300 jobs in Pittsburgh.

Wall Street fears that Pennsylvania's stand could become a model for the defence of favoured local companies against takeover. "Other states will jump on the bandwagon if Pennsylvania succeeds," says Ms Brenda McCoy, an analyst at PaineWebber. Koppers has not rejected the \$60-a-share Beazer offer, but says it is talking with third parties about a counter-scheme.

Mr Beazer's letter is the latest step in a belated effort to head off the Koppers campaign, which has produced a crop of local lawsuits against the bidding group, but has focused sharply on the roles of Shearson Lehman and American Express. The state Treasurer has boycotted Shearson's investment banking services and there have been demonstrations against American Express.

State and city officials accuse Shearson of concealing the bid for Koppers and bringing it to Beazer. While Shearson is putting up more than \$500m in debt financing, Pennsylvania officials complain bitterly about the \$23m in equity that Shearson has contributed to the bidding group.

Odyssey increases offer for Stevens

By Annaloe Kalotay in New York

ODYSSEY PARTNERS, the New York investment firm which has taken management of the bid for Koppers and bringing it to Beazer, has increased its offer for Stevens.

The offer, which topped an earlier Odyssey bid worth \$61.50 a share, was prompted by last week's announcement of a hostile tender for Stevens shares by West Point-Pepperell, the biggest US-based textile manufacturer. West Point has proposed to pay \$82.50 per Stevens share in its tender offer, but has also suggested an alternative transaction, worth \$64, if Stevens' management signs a friendly merger agreement by April 5.

Odyssey already has the Stevens board's approval for a merger so it seems to have regained the tactical advantage by offering to match West Point's higher price. However, the market continued to show scepticism about the possibility that the auction for Stevens would go much higher. The company's share price rose 17% to \$64 1/4 yesterday morning, suggesting that only a minor sweetening of the \$64 offer is expected.

Odyssey yesterday said its bid was more likely to succeed because of the potential anti-trust problems which might be faced by a combination of the two leading US textile groups.

However, arbitrageurs who favoured the West Point bid noted that it was not conditional on any financing commitments and that satisfactory proposals for spinning off some of the overlapping businesses had already been worked out.

Even if West Point ultimately buys Stevens, Odyssey stands to profit from the auction. Under its original agreement with Stevens, Odyssey would receive \$17m towards its expenses if the company eventually accepted a West Point bid.

Boost for Swedish group will increase pressure on GEC-Plessey venture launched yesterday

Ericsson set to win more BT orders

BY DAVID THOMAS IN LONDON

ERICSSON, the Swedish telecommunications company, looks set to win a large increase in orders from British Telecom for public digital exchanges.

This will put extra pressure on GPT, British Telecom's telecommunications equipment joint venture between General Electric Company and Plessey which was formally launched yesterday. GPT dominates most areas of telecommunications equipment sales in the UK.

Mr Richard Reynolds, GPT's managing director, yesterday stressed that one of the joint ven-

ture's main aims was to build up its overseas sales, currently running at 20-25 per cent of its £1.2bn (\$2.1bn) turnover, partly through seeking alliances with foreign companies.

He also expects to announce details of job losses among the joint venture's 23,000 workers which will flow from the elimination of overlapping capacity by the end of April.

Ericsson, which makes its public exchange in the UK jointly with Thorn EMI, won about a quarter of the latest tranche of

orders announced by BT yesterday and appears on course to win about a third of future business.

Thorn Ericsson had won few orders in the previous two tranches and was widely believed to be experiencing teething troubles in introducing its exchange into BT's network.

Industry observers now believe that Thorn Ericsson will in future win about 1m of the 3m lines which BT is planning to order each year, although the exact pattern of orders will depend on competitive bidding

between the two exchanges.

Senior Ericsson executives predicted last June that Thorn Ericsson was on course for 1m lines a year from BT, but the claim was generally dismissed at the time as wildly ambitious.

Future increases in orders for Thorn Ericsson are likely to be seen as a reaction by BT to the reduction in competition for its exchange orders following the creation of the GPT joint venture. GEC and Plessey used to enter separate bids for exchange orders.

Roper supports \$507m GE bid

BY OUR FINANCIAL STAFF

ROPER, the US manufacturer of kitchen stoves and garden tractors, has recommended to its shareholders to accept a \$54-a-share, or \$507m, takeover offer from General Electric. Whirlpool, a competing appliance manufacturer, said it was "disappointed but undeterred" by Roper's switch of support to GE from an earlier takeover agreement with Whirlpool.

Whirlpool said it would press in court hearings beginning next week its claim that it has a defini-

tive and binding agreement to buy Roper. It recently raised its initial offer of \$97.50 a share to \$50.

Roper's board said GE's terms were "clearly financially superior" to Whirlpool's so its shareholders should use the withdrawal rights in the Whirlpool offer to reclaim their shares and tender them to GE.

The shares slipped \$3/8 to \$44 3/8 by early yesterday afternoon. All three companies make kitchen stoves with GE dominant-

ing the business. Whirlpool has argued that its merger with Roper would create considerably more competition in the market than a takeover by GE.

Roper has a number of attractions to both bidders including large contracts to supply stoves and garden tractors to Sears, Roebuck, the largest US retailer, under its own brand name.

GE, engaged in its first major contested takeover fight, has brought counter-suits against Roper and Whirlpool.

American Stores to sweeten Lucky bid

BY RODERICK ORAM IN NEW YORK

AMERICAN STORES, the third largest US grocery and drug retailing chain, has said it is willing to pay \$50 a share for Lucky Stores if the California-based supermarket group agrees to an "expeditious" friendly deal.

American has begun its original tender offer of \$45 a share but Lucky's share price, up \$1 5/8 to \$50 1/4 in early trading yesterday, comfortably exceeds it. Lucky's board has urged its shareholders

not to tender their shares until it has made a recommendation.

Analysts believe the price will rise further, to perhaps \$55 a share, before a deal is clinched by American, Lucky's management - if they decide to attempt a leveraged buyout - or a third party.

Salt Lake City-American has offered, if the takeover is successful, to combine its Alpha Beta stores with Lucky's under the lat-

ter's name.

The combined business would be run by Lucky's present management under its low-price business strategy. Analysts consider Lucky's management to be independent-minded and therefore likely to fight to retain their full independence.

Lucky and American combined would have annual sales of more than \$1bn a year, making it the largest US grocery retailer.

Leigh charts path to recovery

BY DAVID OWEN IN TORONTO

LEIGH INSTRUMENTS, the Canadian electronic communications supplier which is the subject of a spirited bidding war between Plessey of the UK and the Nova Scotia-based IMP Group, has learnt the hard way that diversification does not always pay.

Mr Plessey's latest bid of C\$7 a share, 25 cents more than the most recent offer from IMP, was yesterday recommended by Leigh's board, giving the UK group an edge in the tussle with IMP.

Leigh, founded in 1961, flirted with bankruptcy following an ill-advised decision in the 1970s to branch out into anything from stereophonic speakers to portable airport control towers.

However, today the future of the Ottawa-based company looks relatively rosy. This is thanks to successful refocusing on traditional areas of expertise: crash position indicators, flight data recorders, and on-board communications systems for ships and an aircraft navigation system.

Mr John Shepherd, the co-founder who returned to Leigh after a five-year absence in a 1979 boardroom coup staged by unhappy shareholders, dramatically down-sized the loss-making industrial products unit and concentrated resources on a handful of tried and trusted product lines, primarily in avionics.

However, performance remained lacklustre. In three years, revenues fell more than 50 per cent from 1980 levels to just C\$25m. It was only with the arrival of Mr Barry Flower as president and chief executive in 1983 - a year in which the company lost C\$17m - that real headway began to be made.

LEIGH INSTRUMENTS FIVE-YEAR RECORD*

	Revenue (C\$m)	Earnings per share (C\$)	Book value (C\$)
1983	25.1	-0.26	0.56
1984	31.9	0.08	1.23
1985	32.5	0.06	1.52
1986	38.5	0.17	1.94
1987	52.7	0.31	2.34


* Year ends June 30

year for Leigh. Net earnings soared 51 per cent to C\$6.2m on revenues up more than a third to a record C\$52.7m.

When the current bidding war began, the company's sights were firmly set on international expansion. It had assembled a C\$20m war chest to fund a joint venture acquisition in the US or UK and had recently launched an export development programme to sell Shincom to other Nato navies.

It is this desire to step up international marketing of the company's growing range of defence electronics products which makes a takeover by a global supplier of Plessey's size and calibre so attractive.

From the viewpoint of Plessey, whose bid values Leigh at slightly over C\$100m, the Ottawa-based concern would provide an established window on to the Canadian defence market at a time when Mr Brian Mulroney's Conservative administration is embarking on a 15-year programme of increased defence spending.



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March 1988

Monday 21 March
Signing in Amsterdam of £100 million 9 1/2% 1993 Notes issued by BP Capital B.V. guaranteed by The British Petroleum Company plc.

Tuesday 22 March
Signing of the £40 million Revolving Loan Facility for Hughes Food Group plc.

Wednesday 23 March
£21 million raised for WBS plc to finance expansion programme through placing of 30 million new ordinary shares.

Thursday 24 March
Advised Systems Designers on £82 million proposed acquisition of the Seicon Group, creating one of the largest software companies in Europe. Acquisition financed by £72 million rights issue of new ordinary shares and convertible preference shares. In addition Samuel Montagu underwrote £87 million of debt finance.

Friday 25 March
Advised Glass Glycer Group in relation to the agreed £47 million offer by Degussa. Appointed to advise H.M. Government on the sale of The Crown Suppliers. Syndication closed for £165 million 7 year Project Financing for Shotton Paper Company jointly lead managed with Kansallis - Osnabe - Parkki to finance a second paper machine in North Wales.

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INTERNATIONAL COMPANIES AND FINANCE

Yves St Laurent turns in FFf149m

By George Graham in Paris

YVES SAINT LAURENT, the French fashion and cosmetics house, has reported net profits of FFf149m (\$36.5m) for 1987 on sales of FFf2.54m.

The results include for the first time the perfumes and cosmetics marketed under the Yves St Laurent name by the US group, Charles of the Ritz, which were bought back last year for \$630m. The YSL group has since sold off the rest of the Charles of the Ritz perfumes, other than its own name brands, for around \$150m.

Perfumes and cosmetics accounted for FFf2.24m of sales, with FFf299m of sales in the couture, ready-to-wear clothing and accessories divisions. Over 80 per cent of production was exported, and the group was the largest exporter of French perfumes and cosmetics.

The launch of the new scent, Jazz, is expected to lead to a further increase in sales this year.

Saint Laurent had to put off its planned stock market flotation last year, originally scheduled for December, in the wake of the world financial markets crash. The flotation is now planned for the fourth quarter of this year, if the stock market remains stable.

Gross operating profits reached FFf440m last year, and the heavy financial costs linked to the purchase of Charles of the Ritz are expected to be reduced next year. The group reduced its borrowings by FFf1.65m over the course of the year to a total of under FFf1.5bn, compared with equity resources - including convertible bonds - of over FFf2bn.

The Yves Saint Laurent group is controlled by Compagnie Financière Saint Laurent, itself 51 per cent-owned by Mr Saint Laurent and his business partner, Mr Pierre Berge, and 49 per cent by the Cerus group of Mr Carlo De Benedetti.

Cariplo seeks share stake in Santander

By ALAN FRIEDMAN IN ROME

CARIPLO, Italy's largest savings bank, disclosed yesterday that it is negotiating to acquire a shareholding in Banco di Santander, Spain's fourth largest bank with a stock market value of around FF514bn (\$5.5bn).

Mr Roberto Mazzotta, Cariplo's chairman, said he expected to announce the purchase of a significant stake before the end of this year.

Cariplo and Santander have been in talks since the beginning of the year and an announcement of a strategic cross-shareholding has been widely expected from the two banks.

In terms of net profits the Milan-based Cariplo is the smaller of the two. Its earnings last year rose 18 per cent to L212bn (\$159.5m). Santander's net profits for 1987 totalled Pta25,7bn (\$942m), a gain of 20 per cent.

The link is seen as part of the general move by Europe's banks to internationalise operations ahead of 1992 and the liberalisation of the Community's financial markets. Cariplo also announced yesterday that it had acquired 65 per cent of Compagnie Internationale de Banque, a small private bank in Paris.

Cariplo's customer deposit base rose by 8.6 per cent to L29,185bn last year, while its total loan book was 14.3 per cent higher at L25,447bn.

Mr Mazzotta said that Cariplo plans to add 60 more branches to its network of 440 in Italy.

Pargesa growth sparks rise in dividend

By Our Financial Staff

PARGESA, THE Swiss holding company led by Mr Albert Frey of Belgium and Mr Gerard Ekstrand of France, yesterday reported increased profits for 1987 and proposed to pay a higher dividend.

Net profits for last year rose by 9 per cent to SFf160m (\$116.8m), having been more than a fifth ahead at the half-year stage. The performance is allowing the company to lift its dividend by SFf2 a share to SFf82.

Pargesa said the dividend represents an effective 6.6 per cent increase in payout after adjusting for an increase in the number of shares in issue.

According to the company that the driving force behind the year had been strong earnings from its banking interests, including Banque Paribas (Swiss) and Banque Internationale à Luxembourg. Income from Groupe Bruxelles Lambert, the second largest financial holding company in Belgium after the embattled Société Générale de Belgique, was also buoyant.

The gains made in these areas were then compensated for what Pargesa described as a lesser contribution from Drexel Burnham Lambert, the New York-based investment bank in which Pargesa has an indirect 28 per cent stake.

Ebro appeals to Kuwaiti parliament

BY OUR FINANCIAL STAFF

EBRO, SPAIN'S biggest sugar producer, has taken its fight to shake off the unwelcome attentions of the Kuwait Investment Office into the very heart of the emirate territory - by appealing to the Kuwaiti parliament.

The takeover bid from the KIO, claims Ebro, conflicts with Islamic business ethics. A company official said a letter had been dispatched to the President of Kuwait's Parliament giving details of Ebro's extensive distilling interests.

The letter apparently makes explicit reference to the Islamic code of business ethics which debars Kuwaiti businesses from engaging in alcohol-related activities.

Three years ago the Kuwaiti parliament is understood to have protested strongly when it discovered that the KIO had built up a stake in Arthur Bell, the Scottish whisky distiller.

The KIO has launched a Pta24m (\$121m) bid for control of Ebro through a Spanish company - Torres Hostoch - in which it holds a 45 per cent stake. Torres already owns around 16 per cent of Ebro.

As well as controlling 35 per cent of the Spanish sugar market, Ebro is Spain's largest alcohol distiller, producing 30m litres of alcohol a year from molasses, mainly for use in white spirits, such as vodka and gin.

At the weekend a Madrid court ordered the suspension of the takeover on the grounds of alleged technical irregularities. However, this situation may prove temporary and in the meantime Ebro is determined not to lose the initiative.

It is pushing up its interim dividend sharply for the year ending April, 1988. Shareholders are being offered Pta150 gross a share. This compares with the Pta30 interim payment made for last year.

At the same time Ebro said it planned to increase its capital by up to 50 per cent. Proposals would be put to an extraordinary general meeting for which a date has yet to be set.

meanwhile Ebro is determined not to lose the initiative.

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BCI to expand network

By OUR ROME STAFF

BANCA COMMERCIALE Italiana (BCI), Italy's second largest state-owned commercial bank, is planning to expand its national network by adding 350 more branches over the next five years. The Milan-based BCI currently has 500 branches in Italy.

Mr Enrico Braggiotti, chief executive, yesterday described the plan - the largest expansion of an Italian branch network in recent history - as a move designed to strengthen the bank before Europe-wide liberalisation reforms come into effect in 1992.

"It is no longer true that small is beautiful in Italian banking," said Mr Braggiotti.

At the same time the bank announced a 8.5 per cent rise in its 1987 net profit to L314.4bn (\$251.5m). The bank's gross operating result declined by 2.2 per cent to L725.6bn, in part because of a write-down of its portfolio of stocks and bonds.

BCI's total deposit base grew by 6.3 per cent last year to reach L29,204bn. Total loan book was up by 8.4 per cent to L16,506bn and net assets at the year-end stood at L1,127bn.

Aeritalia in US move

A 40 PER CENT rise in profits last year and the purchase of a 40 per cent holding in a Texan aircraft engineering company were announced yesterday by Aeritalia, the Italian aerospace company, writes John Wyles in Rome.

On a turnover of L1,586bn (\$1,258m), up 13 per cent, Aeritalia recorded a profit of L51bn.

Sales from the space sector rose by 25 per cent to become 10 per cent of turnover.

The Texas investment is Deo Howard, a private company specialising in conversions and retrofitting of commercial aircrafts. Aeritalia has an option to acquire a further 20 per cent of Deo Howard.

Spantax closes down

SPANTAX, the Spanish charter airline, is to cease trading because of financial problems. A company official said the airline was closing "because we are in debt" but declined to give a figure for borrowings, writes Our Financial Staff.

Fiat-style marketing lifts Alfa Romeo sales 27.4%

By JOHN WYLES IN ROME

THE INTRODUCTION of Fiat marketing techniques at Alfa Romeo appears to be paying dividends in the shape of a 27.4 per cent increase in sales this year, well above the 16 per cent growth of the Italian market.

Revealing the details yesterday, Mr Vittorio Porta, the company director of sales in Italy, said that 38,881 cars had been delivered to customers in the first quarter, compared with 30,000 in the same period last year.

The new luxury saloon largely designed before the Fiat takeover at the beginning of last year - the Alfa 164 - is partly responsible for the growth with 5,200 models having been sold since its launch last autumn. Orders for the car have now reached 18,500. But the Alfa 75 saloon is also having a very successful year, with monthly sales of 5,000, which are 24 per cent up on last year.

On the export side, which concerns only the 75 and Alfa 33, sales are also climbing by about 24 per cent. Overall, Mr Porta said he expects car production this year to rise from 200,000 vehicles to 220,000. Fiat's plan for Alfa envisages the introduction of more new models and annual sales of around 300,000 by 1991.

The company yesterday unveiled its "33 sport wagon," a 120mph version of the 33 estate car which is currently selling about 1,400 models a month.

Delhaize shrugs off fall in value of the dollar

By WILL DAWKINS IN BRUSSELS

DELHAIZE LE LION, the Belgian supermarket group, recorded a 13 per cent increase in net consolidated profits last year and will increase its dividend by BFf7 to BFf30 a share.

The profits rise, from BFf1.35bn in 1986 to BFf1.53bn (\$56m), comes in spite of a fall in Belgian sales and an 18 per cent drop in the value of the dollar - over 60 per cent of group turnover comes from the US.

Group sales rose from BFf1.68bn to BFf1.70bn. This included US sales up 22.7 per cent to \$2.95bn, with net income up by 33.8 per cent to \$86.8m. Sales of the domestic company climbed 5.5 per cent to BFf62.7bn. Net retail business earnings slipped investment income rose from BFf229m to BFf279m.

Pingo Doce, the Portuguese unit lifted sales 65 per cent to Esl0.5bn (\$76.5m), due to takeovers, but acquisition costs changed an Esl2m profit into an Esl8.5m loss.

Fermenta reduces losses

By SARA WEBB IN STOCKHOLM

FERMENTA, THE Swedish animal health and chemicals group, reported a sharp cut in losses for 1987, helped by divestments during the year and higher income from its plant protection operations. The group expects to revert to a profit for 1988.

Losses after financial items reached SKr135m (\$41.5m) in 1987, compared with SKr545m in 1986.

Group sales dropped from SKr2,030m to SKr2,783m, chiefly because certain units were sold. Taking comparable units, Fermenta said sales increased by 8 per cent, with its plant protection business showing a 26 per cent increase in dollar terms.

Fermenta's new management has sold most of the loss-making antibiotics operations.

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For the three months 24th March, 1988 to 24th June, 1988 the Notes will carry an interest rate of 8 3/4% per annum and coupon amount of, £1,107.58 per £50,000 Note and £110.76 per £5,000 Note, payable 24th June, 1988.

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Jardine Strategic

HIGHLIGHTS

- A successful first year
- All principal investments performed well
- Holdings in Jardine Matheson and Dairy Farm increased
- Prospects for 1988 encouraging

1987 RESULTS

	Year ended 31st December		
	1987	1986	1987
	HK\$	HK\$	US\$
Profit after taxation and minority interests	524	69	68
Extraordinary items	260	(9)	33
Shareholders' funds	9,060	5,805	1,166
	HK\$	HK\$	US\$
Earnings per ordinary share	0.93	0.22	0.12
Dividends per ordinary share	0.15	0.11	0.02
Shareholders' funds per ordinary and preferred ordinary share	11.31	11.92	1.46

Notes:

- The Group did not equity account for its major associated companies in 1986.
- For comparative purposes the above figures are presented as if Jardine Strategic and Jardine Securities had been merged effective 1st January 1986.
- The 1986 per share figures in respect of earnings, dividends and shareholders' funds have been adjusted for changes in issued share capital as a result of the merger and the rights issue in 1987.

The Branch Register of Members in Hong Kong will be closed from 25th to 29th April 1988 inclusive to identify those shareholders entitled to the proposed final dividends of HK 9 cents per ordinary share and HK 35 cents per preferred ordinary share which will, subject to approval at the Annual General Meeting to be held on 10th June 1988, be payable on 20th June 1988.

A preferential dividend on the convertible cumulative preference shares at the rate of 6 1/2% per annum will be payable on 29th April 1988 in respect of the period from date of issue of such shares to 30th April 1988.

Jardine Strategic Holdings Limited
(Incorporated in Bermuda with limited liability)
Connaught Centre, Hong Kong

This announcement appears as a matter of record only March 30, 1988

National Bank of Hungary
(Magyar Nemzeti Bank)
Budapest

DM 200,000,000 6 1/4% Bonds of 1988/1995

Issue Price: 100%

Commerzbank
Aktiengesellschaft

Morgan Stanley GmbH

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Bayerische Hypotheken- und Wechsel-Bank
Aktiengesellschaft

Daiwa Europe (Deutschland) GmbH

Genossenschaftliche Zentralbank AG - Vienna

Rabobank Nederland

Deutsche Bank
Aktiengesellschaft

Bank of Tokyo (Deutschland)
Aktiengesellschaft

Bayerische Vereinsbank
Aktiengesellschaft

DSL Bank
Deutsche Siedlungs- und Landesrentenbank

Industriebank von Japan (Deutschland)
Aktiengesellschaft

Shearson Lehman Brothers A.G.
Bankhaus

Trinkaus & Burkhardt KGaA

Dresdner Bank
Aktiengesellschaft

Westdeutsche Landesbank
Girozentrale

Banque Paribas Capital Markets GmbH

BHF-BANK

Generale Bank

Nomura Europe GmbH

Swiss Volksbank

This announcement appears as a matter of record only March 30, 1988

DG BANK Luxembourg
Luxembourg Société Anonyme

Can\$ 100,000,000 9 1/2% Notes of 1988/1993

Issue Price: 101 1/2%

DG BANK
Deutsche Genossenschaftsbank

BHF-BANK

Dresdner Bank Aktiengesellschaft

Nomura International Limited

SBCI Swiss Bank Corporation Investment banking

Commerzbank Aktiengesellschaft

Genossenschaftliche Zentralbank AG - Vienna

Rabobank Nederland

Swiss Volksbank

CIBC Limited

DG BANK Luxembourg S.A.

The Nikko Securities Co., (Europe) Ltd.

Saitama Finance International Limited

Wood Gundy Inc.

INTERNATIONAL COMPANIES AND FINANCE

Singapore top banks' total profits hit record

By Roger Matthews in Singapore

SINGAPORE'S FOUR main banking groups together reported record net profits last year of S\$958m (US\$228m), a satisfactory performance according to most analysts, but towards the low end of market expectations.

With loan demand still sluggish and increasing at a slower rate than the nearly 9 per cent real growth in the economy last year, little improvement in overall earnings is expected during the current year.

The Government's sweeping measures to cut business costs in the wake of the 1986 recession survived intact in the budget earlier this month. This, together with more general concern about the outlook for the US economy and therefore the scope for growth in Singapore exports, is limiting borrowing requirements.

An industry analyst said: "One of the more significant trends has been the continuing high growth rates in the banks' assets, with new deposits going straight into the interbank market - not the most profitable banking activity. What everyone is waiting for is a more sustained increase in business confidence."

Development Bank of Singapore was the most profitable, with group net profits of S\$152.4m, up 24.5 per cent, while United Overseas Bank registered the largest percentage increase of 31.5 per cent, at S\$139.5m.

Overseas Union Bank, the smallest of the four, was the only one to report a fall in earnings, by 4.5 per cent to S\$64.2m, following a bad second half.

All four banks have made further provisions for bad loans and possible equity market losses, but on a more modest overall scale than in the previous two years.

Brierley sells retailer to Coles

BY CHRIS SHERWELL IN SYDNEY

FURTHER CHANGES to Sir Ron Brierley's business empire emerged yesterday when Coles Myers, Australia's largest retailer, said it would pay NZ\$477.5m (US\$393m) for control of Progressive Enterprises, one of New Zealand's largest retail groups.

The 57.2 per cent stake was owned by Magnum Corporation, which is in turn 70 per cent controlled by Brierley Investments, Sir Ron's master company.

Coles's purchase represents an important expansion abroad for the group which is measured as the

world's second largest retailer outside the US. With its existing 11.2 per cent stake, Coles will soon be able to move to full control of Progressive.

It also reflects a big decision by Sir Ron. With 40 per cent of Woolworth's in Australia, he had hoped to create a trans-Tasman retail group capable of taking on Coles. That plan now seems to have been dropped.

Progressive is his second biggest sale in less than three weeks. He also sold two industrial subsidiaries - Winstone and Consol-

dated Metal Industries - and his stake in Petrocorp to Fletcher Challenge, New Zealand's largest company, for a total of NZ\$681m.

This infusion of cash will go some way towards funding two large takeover bids launched in the same period - the ARB\$2m (US\$604.5m) joint bid with Mr Kerry Packer for Mr Robert Holmes à Court's Bell Resources in Australia, and a US\$1.2bn bid for CalMat, California's biggest cement producer.

For Coles, Progressive is an attractive acquisition, even at a

United Mizrahi back in the black

By Andrew Whitley in Tel Aviv

UNITED MIZRAHI Bank, the medium-sized Israeli bank, returned to the black last year, with net profits of Sh1 15.7m (\$10.3m) against an after-tax loss in 1986 of Sh1 28.5m.

After being the laggard of the pack, the latest results were well in line with those already reported by other leading Israeli banks. Mr Michael Zivner, Mizrahi's new managing director, said: "We're back on track again."

In common with its rivals, Mizrahi's much improved performance owed a great deal to one-time factors such as last year's exceptionally high returns on so-called unlinked shekel deposits, as well as reduced top tax brackets.

Profits are thus not expected to grow at the same rate in 1988. Disposals of non-banking assets produced a substantial increase in working capital last year of some Sh1 50m. But the price was losses equivalent to 28m on the 21 property transactions involved.

Provisions for doubtful loans were marginally up on the previous year at Sh1 89m, of which 40 per cent was attributed to the farm sector.

Including its subsidiaries, the Tebnat Mortgage Bank and UMB Trust Company of New York, the Mizrahi group made net profits of Sh1 28.1m against a loss in 1986 of Sh1 25.5m. However, the previously profitable New York subsidiary reported a loss of \$700,000 last year, against a net profit of \$5.5m.

Hutchison Whampoa lifts earnings and dividend

BY DAVID DOUGLASS IN HONG KONG

HUTCHISON WHAMPOA, Mr Li Ka-shing's Hong Kong group with interests spanning port operations, property development, telecommunications and oil exploration, lifted net profits 15 per cent last year to HK\$1.86bn (US\$238.5m) from HK\$1.62bn.

The group also earned extraordinary profits of HK\$764m, up from HK\$50m, mainly derived from property sales.

A final dividend of 24 cents per share makes a total for the year of 34.6 cents. This compares with 28.1 cents in 1986.

Mr Simon Murray, managing director, signalled that the group was poised for major investments, with borrowings trimmed to about 15 per cent of shareholders' funds worth HK\$1.4bn.

Hutchison is understood to be a leading contender to develop the next extension of Hong Kong's Kwai Chung container terminal where its Hongkong International Terminals subsidiary already dominates container business.

The successful bidder, which is expected to be named on April 13, is likely to pay a tender price alone that amounts to about HK\$2bn.

Hutchison Telecommunications, the subsidiary contesting

Air New Zealand to stay under government control

BY DAI HAYWARD IN WELLINGTON

THE NEW ZEALAND Government has indicated that it is likely to retain majority control of Air New Zealand, the national flag carrier, and it could be another year before any stake in the airline is sold.

Originally the Government announced that it wanted to privatise at least 25 per cent of the airline by the end of this month but Treasury officials have been pushing for the entire company to be sold off.

Mr Derrid Lange, the Prime Minister, has now said that his Government will not sell all of Air New Zealand. A maximum of 35 per cent is now likely to be offered to interested parties. British Airways is among potential foreign partners to have shown interest.

A likely deadline is March 1989. This is because the recent sale by the Government of its holdings in NZ Steel and Petrocorp, the energy group, has taken the pressure off its need to raise finance.

Brierley Investments (BIL), Sir Ron Brierley's New Zealand company, says it would be interested in acquiring a stake in Air New Zealand but so far it has had no discussions with the consortium appointed by the Government to advise on the potential sale. If it bought into Air New Zealand, BIL would sell its existing 28 per cent holding in the competing Ansett New Zealand.

BIL is moving to increase its media interests in New Zealand, by bidding for full control of NZ News, one of the country's big three publishing groups.

Brierley has gradually built up its stake in NZ News to 64 per cent and is now offering NZ\$3 a share for the remaining shares. NZ News publishes evening newspapers in Auckland and Christchurch as well as a number of daily provincial newspapers and a range of magazines.

BIL has commercial radio interests in Wellington and Auckland.

GRANVILLE SPONSORED SECURITIES

High	Low	Company	Price	Change	div (p)	%	P/E
296	133	Am. Bril. Ind. Offshore	1950d	-	0.89	4.6	7.3
297	145	Am. Bril. Ind. CUS	1950d	-	10.0	5.1	-
42	25	Astraling and Finance	29	-	-	-	-
142	60	BBT Design (US)	25	-	2.1	3.8	8.1
188	308	Barclay Group	157	-	2.7	1.7	26.8
186	95	Bray Technology	138	-	4.7	3.4	13.0
288	120	CCI Group (US)	250	-	11.5	4.4	6.7
147	99	CCI Group 11% Conv. Pref	130	-	15.1	11.6	-
171	130	Carborundum (US)	130	-	5.4	4.1	11.3
184	91	Carborundum 7.5% Pref	101	-	18.3	10.2	-
212	67	GenCorp (US)	272	-	5.7	1.7	5.9
143	60	Int'l Group	65	-	-	-	-
304	59	Jackson Corp	90	-	3.4	3.6	9.9
788	300	MultiComm (US)	332	-	18.4	3.1	13.2
91	41	Robert Jenkins	41	-	-	-	2.4
124	20	Scruttons	2240d	-	5.5	4.4	11.8
224	67	Torrey & Carline	198	-	6.6	3.3	9.6
71	32	Tronco Holdings (US)	65	-	4.2	2.7	7.8
264	190	W.S. Yates	264	-	16.6	6.2	11.2

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Jardine acquires optician chain

By Ow Hong Kong Correspondent

JARDINE MATHESON, the Hong Kong trading house, has acquired Optical Shop, a chain of 37 optician outlets for HK\$277m (US\$35.5m).

The purchase will add to the group's retailing and franchising operations in Hong Kong and will be seen as answering critics who claim it is withdrawing from operations there.

Sekisui House boosts income

SEKISUI HOUSE, Japan's leading homes builder, boosted pre-tax profits by more than half from Y38.15bn to Y58.78bn (\$496.4m) in the year to June 30, up from Y50.74bn to Y65.6bn, reports its Financial Staff.

The dividend is up by Y3 to Y16 a share, a level which Sekisui expects to maintain in the current year. It expects further earnings growth to Y45.5bn before tax on turnover of Y680bn.

Investing in Solid Businesses for Future Growth

"The Group's financial position remains strong with a relatively low gearing ratio. Our cash flow projections indicate that we can support further business expansion and therefore we will continue our pursuit of suitable investment opportunities both in Hong Kong and overseas."

Hong Kong, 29th March, 1988

Li Ka-shing
Chairman

Financial Highlights for the year ended 31st December, 1987

Turnover up 40% to	US\$1,356M
Profit before extraordinary items up 15% to	US\$240M
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS UP 20% TO	US\$338M
*Earnings per share before extraordinary items up 14% to	US\$0.084
*Earnings per share after extraordinary items up 19% to	US\$0.120
Shareholders' funds up 47% to	US\$1,852M
*Dividend per share up 38% to	US\$0.045
*as compared to 1986 adjusted for the bonus issue, share split and rights issue.	

Hutchison Whampoa Limited



Head Office: 22/F1, Hutchison House, Hong Kong. Tel.: 5-230161. Telefax: 5-8100705.
European Office: 9 Queen Street, Mayfair, London W1X7PH. Tel.: 4993353. Telefax: 4910872.

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Morgan Guaranty Trust Company of New York
Agent Bank.

Banco Nacional do Desenvolvimento Economico

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EBC Amro Bank Limited
(Agent Bank)

30th March 1988.

Wells Fargo & Company

U.S. \$100,000,000 Subordinated Floating Rate Capital Notes due September 1997

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from 30th March, 1988 to 30th June, 1988 the Notes will carry an Interest Rate of 7% per annum. Interest payable on the relevant interest payment date 30th June, 1988 will amount to US\$178.89 per US\$10,000 Note.

Agent Bank:
Morgan Guaranty Trust Company of New York
London

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

George Graham on moves towards a bank capital adequacy standard French win country risk argument

FRENCH BANKS have been embarrassed for years by the apparent weakness of their balance sheets in comparison to their large international rivals. Now, as the Bank for International Settlements moves towards a common standard for measuring banks' capital adequacy in its member countries, the French have won recognition for the element of their capital base which does not show up in most international comparisons...

high level of interbank lending in France inflates the level of assets, and partly because it does not take into account the heavy provisions made by the large French banks, which have historically preferred to build up their reserves rather than pay dividends to a shareholder - the state - which put up no new equity in return.

Finacor set to rescue suspended broker

By George Graham in Paris FINACOR, the leading French money broker, has emerged as the likely rescuer of Louis Baudouin, the Paris stockbroker firm suspended from trading earlier this month for "serious shortcomings in its management and supervision."

Toronto Dominion adds to Eurosterling total

By CLARE PEARSON AND DOMINIQUE JACKSON

TORONTO DOMINION Bank added a further \$75m to this week's heavy Eurosterling bond issuance yesterday as the sector firmed on a rally in sterling. But dealers said the primary market was now looking over-loaded with new paper, \$355m worth has been issued by five borrowers since the weekend.

Prices finished broadly unchanged in shorter maturities to marginally better, 1/4 to 1/2 point better in longer paper. Volume was limited, however, as dealers began to wind trade steadily down ahead of the Easter holiday.

INTERNATIONAL BONDS

Dealers agreed that the issue was badly timed, noting that the market for two-year paper in the sector was already well provided with better quality issues.

Pervasive fear

Perhaps the most pervasive fear, however, is that France will end up being caught between two divergent attempts to standardise bank regulation. The banking commission has already introduced some radical changes to its supervisory practices in recent years, often designed to come into line with the harmonisation efforts of the European Commission.

Safety mattress

Banque Nationale de Paris, France's largest commercial bank, has provided for over 40 per cent of its risk country loans, and has even been told by the authorities to slow down its provisioning effort.

Paris may thin out primary dealers

By OUR PARIS STAFF

THE FRENCH Treasury has named two new banks as "correspondent brokers" in the Paris government bond market, but has placed a threat over the heads of the other primary dealers in the market.

The status of primary dealer obliges a bank to make a permanent market in the full range of French Treasury bills and bonds, and in return gives it the right to make non-competitive tenders at the regular auctions of government securities.

Bankers Trust joins one other foreign bank, Morgan Guaranty, which has been established in Paris for decades and which was named as one of the first batch of primary dealers a year ago.

tempted to let too many foreign banks into the market's closed circle in order to meet pressure from, for example, UK, German or Japanese candidates.

World Bank expands US dealer network

By Stephen Fidler, Euromarkets Correspondent

THE WORLD Bank has expanded its dealer network in North America through which it issues its so-called Continuously Offered Longer-Term Securities.

Norway plans options clearing house

By KAREN FOSSLI IN OSLO

THE NORWEGIAN Government has proposed regulations for options trading which, if passed, will see the creation of an "options central," based at one of Norway's stock exchanges, to serve as a clearing house.

Norwegian financial institutions including the Banking, Security and Exchange Commission, the Oslo Bourse and the Brokers' Association have been asked for their comments.

established as a joint stock company, the shareholders of which will be restricted to a 5 per cent stake apiece. The proposal also recommends that a security fund of Nkr150m be maintained by the options central.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns for Bond Name, Issued, Maturity, and Yield. Includes sections for US STRAIGHTS, THREE STRAIGHTS, and CONVERTIBLES.

LEADER IN FRANCE CRÉDIT LYONNAIS HAS ARRANGED F30 BILLION IN MULTI-OPTION FACILITIES FOR 20 MAJOR CORPORATIONS

- HACHETTE, AU PRINTEMPS S.A., FINANCIÈRE AGACHE, ECONOCOM INTERNATIONAL N.V., ARJOMARI PRIoux S.A., AÉROSPATIALE, GROUPE BSN, COMPAGNIE DE NAVIGATION MIXTE, LVMH, MOËT HENNESSY, LOUIS VUITTON, LYONNAISE DES EAUX, DMC, LEROY-SOMER S.A., AIR INTER, ESSILOR INTERNATIONAL, ETABLISSEMENTS DARTY ET FILS S.A., COMPAGNIE FRANÇAISE DE L'AFRIQUE OCCIDENTALE, INSTITUT MÉRÉIUX S.A., CARREFOUR S.A., BONGRAIN S.A., CLUB MÉDITERRANÉE S.A.



Europaper for Finnish groups

By Alexander Nicol

TWO FINNISH companies yesterday announced Eurocommercial paper programmes totalling \$300m. The largest, with a potential size of \$200m, is for Neste, the state-owned oil and chemicals company.

Canadian bank dispute settled

By Robert Gibbons in Montreal

THE CANADIAN Federal Government and the provinces of Quebec and Ontario have signed agreements ending a lengthy dispute over the regulation of securities firms owned by banks.

The agreements mean that Ottawa will supervise the banks and their use of capital in relation to their investment dealer subsidiaries, while the provinces will retain their jurisdiction over trading activity by these subsidiaries.

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MANAGEMENT

The analytical paradox

Forget the plan — have a strategy

Christopher Lorenz explains why common sense is in the ascendant in securing corporate futures

PHILIP CANDY reckons that his very recent conversion from seat-of-the-pants management to careful planning is playing a major part in his revitalisation of Clifford's Dairy Products...

So he was surprised to hear the main speaker at a public seminar on business strategy a few weeks ago announce that "corporate planning is dead and nearly buried. Long live commercial common sense!"

The paradox was heightened by the venue of the seminar: Ashridge Management College, which lies just north of London. This is precisely the same business school which over the past few months has helped Candy introduce strategic analysis and a series of senior management strategy workshops to Clifford's, a 400-person division of Cliford's Dairy Products...

other leading British companies — he has also operated as a short-term company doctor — Pearson inveighs vehemently against the sort of sophisticated planning techniques used for many years by major multinationals, especially in the US.

The few people who really manage their businesses strategically, claims Pearson in a newly-published book on which his Ashridge seminar was based, "use strategic planning to create not complex planning techniques. (These) have become so complicated that they are the preserve of planning experts."

The chief executive and his team should define a handful of major business development projects

ing experts". The result in many companies has been "highly detailed business plans filed and forgotten almost as soon as they have been written."

Yet, in the same breath Pearson warns that every company — be it small, medium-sized or large — needs an effective strategy. And to create that, he advocates the use of highly rigorous techniques for analysing corporate performance and competitive behaviour.

and market positions of our eight product groups," he says. "Now, just a few months later, it's fascinating to see how they are moving on the grid: severe 'dogs' (problems) have already shifted across towards more positive positions."

This has obvious implications for the allocation of human, physical and financial resources.

Beneath Pearson's seeming schism between the strategic planning he calls "common-sense strategy" — including the judicious use of rigorous analytical techniques — from the sort of "paralysis by analysis" which has gripped many multinationals until recently.

This has given planning a bad name, especially among small and medium-sized companies, but also in larger enterprises which have come to see its dangers.

Pearson is also at pains to differentiate the way the type of strategy is created from the once fashionable practice of entrusting the planning process not to the chief executive and his team, but to planners working in isolation, especially from line managers.

Hence, in sum, Pearson's understandable but misleading use of the word "planning" as a pejorative. His message to Candy and the 40 other top managers who gathered at Ashridge last month — ranging from bosses of private companies with annual sales of under £10m to the divisional heads of large multinationals — was crystal clear and decidedly commonsensical.

mean "raising your eyes from today" and creating time to identify and address the handful of issues which really were crucial to your future.

If the vision is passionately shared by the leadership, it creates a crackle of success

one-page description of their communal vision for the company reduced to "strategies" and widely distributed in order to motivate staff.

Rather than being the sort of meaningless declaration of "motherhood" virtues which American multinationals spew out at the drop of a hat, the vision statement should be quite precise, Pearson urges. It should cover commercial direction, rationale and priorities (eg market segmentation, competitive differentiation and target territories), philosophy, policies and values (eg based office/subsidiary relationships, qualitative goals (eg commitment to investment in high technology), broad financial performance targets; and (a very unusual suggestion) future ownership policy.

Advising chief executives to go for "a quantum (big) leap" approach to mission-setting, Pearson praises the

sort of leader who stands up and says "We can become market leader in western Europe in the next five years". In Pearson's words "there's nothing wrong with starting with the impossible and turning it into the inevitable". Provided the vision is passionately shared by the leadership team, it creates a crackle of success and an inner confidence among staff that "we're going to get there."

To turn such vision into reality more effectively than do most conventional planning processes, the chief executive and his team should then define a handful of major business development projects — each with action plans which lay down clear accountability and tangible milestones of progress.

Instead of trying to use some dry and anonymous planning routine for the creation of all this clarity and commitment, Pearson urges top managers to conduct annual two-day strategic workshops, with interim check on the progress of development projects.

Such workshops, which "are not just for the big battalions", should be conducted off-site with just the chief executive and those managers who report directly to him (or her). The entire event should be well-prepared, structured and rigorous rather than a semi-structured "jolly". Everyone, including normally reticent managers, should be encouraged to speak their minds, especially about their colleagues — "this is a necessary pre-condition of management effectiveness," Pearson stresses.

When he polled his Ashridge audience on the holding of strategic workshops, a third said they already practised something of the sort. But barely a sixth did so at least annually, and with the rigor Pearson insists is necessary to the success of

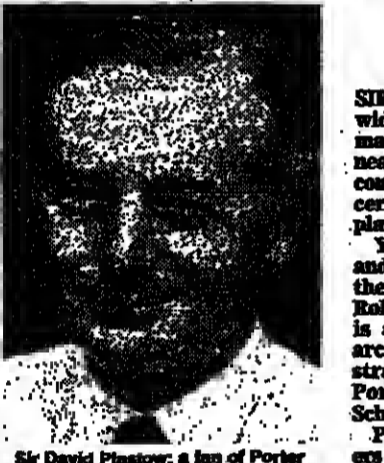


Philip Candy: "Strategy-making is becoming an essential discipline"

such events. One of the few was Philip Candy. By the end of April he will have held three such workshops this year, the last of which will lead to the production of a detailed four-year action plan for Clifford's Dairy Products. To Candy, strategic planning cannot be

just an annual exercise, nor reviews six-monthly. Both must be more or less continuous. "We're now holding business reviews every two months," he says. "In our sort of business, the goalposts are always moving." * Common-Sense Business Strategy, Mercury Books (W.H. Allen), £12.95.

Why Vickers believes in Harvard's sophisticated punditry



Sir David Plastow: a son of Porter

SIR DAVID PLASTOW is more widely known for his charismatic leadership style and his near-obsession with employee communications than for the cerebral skills of strategic planning.

Yet the dashing chairman and chief executive of Vickers, the British printing-plates-to-Rolle-Royce-care conglomerate, is a self-confessed fan of the arch-pundit of sophisticated strategy, Professor Michael Porter of Harvard Business School.

Plastow and his top managers were using Porter's early

analysis techniques almost a decade ago at Rolle-Royce, before Plastow merged it with Vickers in 1984. And recently he called in the professor to advise his fellow directors on the best way to handle the

inflection of the company with a higher quality of strategic thinking," says McCann. Plastow stresses that Porter's pathfinding work on competitive strategy and diversification has not been followed slavishly at Vickers.

But it undoubtedly influenced the decision in January to sell the group's business

development director, McCann combines the task of corporate planning with the steering of Vickers's management development: this combination, which dates back to 1986, is the best kept secret of the group.

McCann, a former Vickers of Porter's analysis techniques, Plastow points to the dramatic clearing-out of his portfolio after 1988. A rule was laid down that business must be a significant world player — "not every UK company had come to that realisation yet," says Plastow.

It led, among other things, to the painful divestment of the high-profile Rolle-Royce diesel engines business.

As international competition intensified and became more complex, Plastow and McCann felt the need for further academic input on strategy. Since 1985 they have retained Professor John Stopford, a London Business School expert on multinationals, as an adviser.

Thanks to these activities, and the discipline of the regular strategic planning process (which for most Vickers divisions is still an annual exer-

cise), "the quality of strategic debate is getting better," says Plastow. But he describes the ability of his divisional heads to think strategically as "variable".

Significantly, Plastow describes the purpose of such programmes as "rehearsing the disciplines that managers have learned from experience, and making them more internally aware".

As a successful leader who takes pride in never having gone to university, Plastow is far from star-struck by glamorous business school types. But he does value some of their analytical tools and models, as well as their clarity of thinking. And he says their wide experience "provides a well of bloody good ideas".

Advertisement for 'miad 88' 13TH INTERNATIONAL CONFECTIONERY EXHIBITION. Includes details about the event in Milan, dates (7-11 May '88), and a list of products like sweets, biscuits, pastries, etc.

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Advertisement for KE: A/S JYSKE BANK. Details a USD 4,000,000 floating rate note due in 1994, with interest rates and terms.

Advertisement for GENERAL MINING UNION CORPORATION GROUP. Lists annual general meetings for various subsidiaries like Anglo American, De Beers, etc.

Advertisement for Personal Oral Hygiene - Hair Care - Household Products. Promotes Swiss-made products for personal care.

Advertisement for Manager - Customer Services. Describes a new position at RIYAD BANK, detailing responsibilities and requirements for the role.

UK COMPANY NEWS

GROWTH IN BOTH WOMENSWEAR AND MENSWEAR MARKET SHARE

Acquisitions help Next advance to £92m

BY MAGGIE URRY

Next, the fast-growing retail group, yesterday reported taxable profits more than doubled to £92.4m in the 12 months to end-January. It has benefited from the acquisitions of Grattan, the mail order group, and Combined English Stores during the last 18 months, and also showed underlying growth.

The company's year end has changed and in the 17 months to end-January, pre-tax profits amounted to £122.5m on sales of £1.1bn.

Mr George Davies, chairman, said that earnings per share for

the 12 month period rose by 39 per cent to 19.9p despite the issue of shares related to the takeover. He said there were more gains to come from converting CES shops into the various Next chains, and the new Next Jewellery shops would soon be appearing in high streets.

He said that the launch of Next Directory, the home shopping catalogue, had exceeded expectations with sales of £20m in its first 10 weeks. The level of returned goods of under 20 per cent was well below the average for the industry and Next's bud-

get. As a result the first Spring/Summer catalogue is expected to make a profit, rather than the original break-even forecast.

The group's target is to increase earnings per share by 20 per cent a year which, Mr Davies said, would require a 30 per cent rise in pre-tax profits in 1988-89 as the full impact of the extra shares is felt.

Turnover rose sharply to £92.1m, with all the continuing chains, such as Next Collection, Next Too and Next for Men, showing sales growth in like-for-like stores. "Some other retailers

ICI to pay A\$130m for Australasian companies

By Peter Marsh

Imperial Chemical Industries has strengthened its position in the coatings industry with an agreement to buy a group of paints and sealants businesses in Australasia, currently owned by Williams Holdings, the UK industrial group.

ICI, the world leader in paints with annual sales in this area of £1.8bn, is to pay Williams A\$130m (£55m) for the companies, which sell the Berger paint brands in Australia, New Zealand, Fiji and Papua New Guinea.

The companies changing hands in the deal, which is subject to approval by government authorities in Australasia, were bought by Williams as part of its £25m purchase in January of Berger Jensen and Nicholson, a paints and consumer-products concern formerly owned by Hoechst of West Germany.

Williams has agreed to sell the Australasian component of the Berger company as part of a strategy of concentrating its paint activities in Europe and the US. Williams said it was confident it could find better uses for the cash earned on the transaction in these other parts of the world.

According to ICI, the companies being acquired have combined annual sales of about A\$300m. Besides selling Berger paints for buildings, the companies also make and sell a range of other products, including car-cleaning chemicals and sealants.

ICI has been keen to expand its paint business in Australasia, where it has a strong position in the household coatings business through sales of its Dulux brand.

ICI has become the world's biggest selling paints company through its acquisition in 1985 of Ghidini, a big US paints concern.

Willis Faber lower but shares are marked up by 15p

BY NICK BARKER

Willis Faber yesterday became the latest insurance broker to show a sharp drop in its 1987 pre-tax profits, which were down 19 per cent at £60.9m in spite of its £300m takeover of a rival Lloyd's broking group, Stewart Wrightson.

The stock market responded by marking the shares up 15p to close at 218p, after Willis's senior executives fiercely defended their conduct of the acquisition at a bullish presentation to stockbrokers' analysts. The group is raising its full-year dividend 6.6 per cent to 11.48p per share.

Since Willis bought Wrightson last summer, it has suffered big defections of Wrightson brokers, who have taken with them clients including US railroads and leading airlines.

There have also been culture clashes between some Willis and Wrightson staff, and last month Mr David Bowland, Wrightson's former chairman, moved to Willis's biggest competitor, Sedgwick.

These problems have come at a time when London-based brokers are being hit by the weak dollar and by falling premium rates in the US and in the London marine and aviation insurance market.

Willis went onto the offensive yesterday however, with Mr David Palmer, group chairman, claiming that the two companies had been "almost completely integrated".

Mr John Roberts, finance director, said Willis had already identified cost savings of £10m in 1988. Headcount for the combined group in the UK was 5,500 at the end of 1987, down 400 over the year, roughly half the reduction coming from compulsory redundancies.

Van Gogh boost to profits as Christies hits £32.5m

BY DAVID WALLER

APPARENTLY UNIMPAIRED by October's stock market crash, Christies International yesterday reported a 77 per cent surge in pre-tax profits for 1987, from £18.35m to £32.5m.

An unspecified but large proportion of the increase was due to commission on two Van Gogh paintings, one of which was the famous Sunflowers sold a year ago today for £24.75m.

Mr John Floyd, chairman of the UK's only listed auction house, said the Van Gogh paintings had contributed to an "exceptional" year, but that all divisions had performed exceedingly well.

He added that the collapse in global equity prices had had no noticeable effect on the art mar-



John Floyd concedes that the auction house is a takeover target. "We are one of a kind."

ket. Excluding Sunflowers, first quarter sales this year were better than the same period last year.

Earnings per share nearly doubled to 45.41p, and the dividend for the year is to advance by 73 per cent to 13p after a proposed final payout of 10p.

Sales handled rose by 49 per cent to £90m.

Turnover advanced 37 per cent to £96.7m, of which £51.69m (£34.59m) arose from the UK and £38.5m (£26.73m) in the US.

Adverse currency movements - particularly the decline of the US dollar against sterling - depressed profits by £3.78m.

Earlier this month, it emerged that Phillips Son and Neale, a smaller, privately owned auction

house had taken a 3.98 per cent stake in Christies.

Mr Floyd said that he thought Phillips to be long term shareholders. But he conceded that Christies is a takeover target. "We are one of a kind. In one of our auctions, we'd be described

as very rare but not highly important."

comment

Yesterday's resplendent figures from Christies reflect a year when, for the first time and a half months at least, the art market was buoyed by booming stock markets. After October 19, demand for works of art did not slump as may have been expected. The day after Black Monday, Christies sold a diamond for \$2m, the world's most expensive stone, this Monday, a Degeas fetched \$3.8m and a Modigliani \$4.5m. Although Christies has another Van Gogh up its sleeve for sale later this year (expected to fetch \$10m), it is unlikely that 1988 will equal last year's exceptional performance and it is inevitable that first half profits will be down on the \$18m made post-Sunflowers.

For the full year, the few analysts who cover this company expect £28m, putting the shares - up 8p to 214p - on a prospective multiple of nearly 13. Although on a 25 per cent premium to the market, the shares are underpinned by his optimistic and sound long term prospects as Christies expands in the Far East and takes advantage of 1982 to establish itself in France.

BSG to sell seat belt activities for £28m

BY RICHARD TOMKINS, MIDLANDS CORRESPONDENT

BSG International, the Birmingham-based motor dealer and components manufacturer once known as the Bristol Street Group, is to sell its Britax seat belts activities to A.B. Electrolux, the Swedish white goods manufacturer, for £28.3m in cash.

Electrolux will merge Britax's UK, West German and Australian seat belt operations with Autoliv, its own seat belt subsidiary. BSG will retain the Britax name.

BSG said the cost of research and development into passive restraint systems, such as air bags, had grown to the point where BSG could no longer match the sums being invested by the multinationals.

Technical problems with seat belts made by its UK subsidiary had resulted in the recall of 280,000 Ford cars. The cost to BSG, expected to run into seven figures, has been written off against last year's trading profits.

BSG's 1987 results announced yesterday showed pre-tax profits up from £11.82m to £18.05m on turnover of £126.3m (£86.7m). A final dividend of 1.4p (0.89p) is proposed, making 2p (1.37p).

Automotive component manufacturing did best. Strongly rising car sales and a trend towards re-sourcing of component supplies to the UK helped HR trading profits from £4.74m to £8.27m despite the write-off on seat belts.

In the consumer and special products manufacturing division, however, the cost of redesigning products and poor sales of children's car safety seats held trading profits back at £5.42m (£5.27m) in spite of a first-time contribution of £1m from Restmoo, the jeans subsidiary.

comment

BSG had two choices with its seat belt operations: get big or get out. Having tried and failed at the former, it has decided to opt for the latter - sensibly, it seems, for the net effect of the disposal after group borrowings have been wiped out and highly-taxed overseas earnings expunged will be to leave the company some £300,000 a year better off post-tax. The continued diversification away from its motor dealing roots, however, is looking increasingly suspect as the group's newly-acquired third leg turns into a 'tree motor dealer' instead. With £21m in sight this time, their feelings are reflected in a prospective p/e of less than 8 at yesterday's 63p.

Sotheby's reports sharp sales rise

Sotheby's, the largest fine art auctioneer in the world, yesterday reported sales of £14.4m (£7.9m) for 1987 - a rise of 57 per cent.

Wholesale Fittings

Shares in Wholesale Fittings, wholesale electrical distributor, gained 8p to 489p yesterday after it emerged that Thomson T-Line, had increased its holding to 992,000 shares (5.73 per cent).

Giltvote buys more EPIC

BY NICK TAIT

Giltvote, the consortium headed by Mr Stephen Wingate which launched a recommended £54.4m offer for Estates Property Investment Company, has picked up a further 345,000 shares (14 per cent) in its target.

This takes the Giltvote interest - through purchases, option agreements, irrevocable undertakings, or shares held by parties in concert - to 27.2 per cent.

A lower offer from Peachey Property, valuing EPIC at £63.4m and already declared final, remains on the table. This is due to close on April 12. Peachey has said it would be prepared to remain as a minority shareholder if its offer fails. It owns one-third of EPIC's equity.

In the market EPIC shares remain a shade above the 265p cash terms offered by Giltvote, trading at a mid-price of 268 1/2p.

'1987 results reflect growth potential'

Paul Judge, Chairman, Premier Brands

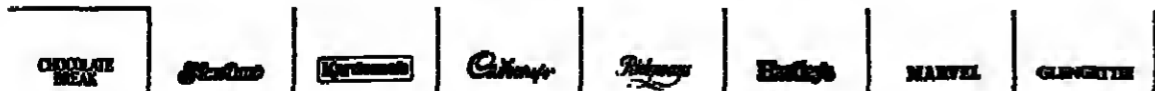
£ million	1987	1986
Turnover continuing business	315.0	280.5
MIRCOSS - discontinued business	-	28.1
Trading profit	24.9	18.5
Interest	(6.9)	(7.3)
Profit before taxation	18.0	9.2
Trading profit return on sales	7.9%	5.3%
Earnings per share (fully diluted)	25.9p	21.5p

1987 Highlights

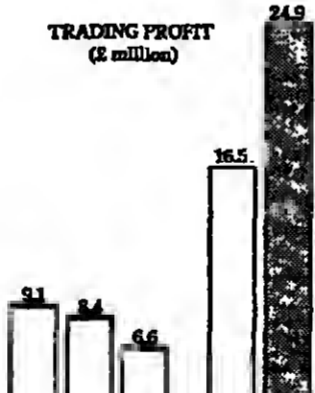
- The financial results show further significant improvement on the turn-around evident since the buyout in May 1986.
- Trading profit increased by 51% to £24.9 million. Return on sales at 7.9% attains the key objective of matching the industry average.
- With reduced interest charges and the improvement in trading profit, interest cover has been substantially increased.
- Pre-tax profits almost doubled to £18 million.
- Cash inflow from operations of £43 million, on top of £41 million in 1986, enabled the company to re-finance its original buyout borrowing.
- Market position strengthened through both internal development and four strategic acquisitions.
- 1988 has started well and further material progress is forecast for the full year. On this basis, the Board expects to seek a public flotation in 1989.

These results are extracted from the proforma accounts contained in the 1987 Annual Report, copies of which are available from the Company Secretary.

Premier Brands Limited, PO Box 171, Birmingham B30 2NA. Telephone: 021-459 1199.



11 BRANDS 11



Metal Closures Group

METAL AND PLASTIC PACKAGING PRODUCTS, PACKAGING HANDLING SYSTEMS

Preliminary Announcement of Results (unaudited)

Year to 31st December, 1987

	1987 £m	1986 £m	% change
Turnover	102.9	82.5	+25
Profit before taxation	6.8	4.9	+39
Earnings applicable to ordinary shareholders (excluding extraordinary items)	3.0	2.3	+30
Extraordinary items after taxation	0.1	6.5	
Earnings per share	11.8p	9.1p	+30
Final dividend	5.2p	4.3p	+20

1986 earnings per share and final dividend restated to reflect the 1-for-5 scrip issue.

The Chairman, Mr. Richard Graves reports:

- The 1987 results confirm a continuing improvement in profitability.
- Substantial increase in capital investment in 1987.
- A broader base for expansion.
- A good start to 1988.

Copies of the Annual Report and Accounts 1987 which will be posted to shareholders around 12th April 1988, may be obtained from the Secretary, Metal Closures Group plc, P.O. Box 32, Bromford Lane, West Bromwich, West Midlands, B70 7HY



PACKAGING FOR THE FUTURE

The foregoing financial information does not amount to full accounts within the meaning of Section 264 of the Companies Act 1985. Full accounts for 1986 with an unqualified audit report have been filed with the Registrar of Companies.

UK COMPANY NEWS

Laird makes £32.6m and plans French purchase

BY ANDREW HILL

Laird Group, the diversified sealing systems, engineering and transport company, is to buy CPIO Group from Renault, the French car manufacturer, for FF234.5m (£32.3m) in cash.

Laird also announced pre-tax profits of £32.6m in the year to December 31, nearly 16 per cent up on 1986, when profits were static at £28.2m before tax. Laird shares rose 15p on the news to close at 234p.

CPIO supplies rubber and plastic components and air filters to the automotive industry. It made FF100.7m before tax in 1987.

Renault accounted for 75 per cent of its sales and the French company has agreed to buy a similar proportion of CPIO products for three years after the acquisition. Laird will also work on parts for car models to be introduced by Renault into the early 1990s.

The acquisition, which is sub-

ject to the approval of shareholders and the French Government, will complement Laird's sealing systems division, the major contributor to last year's profits with a 22 per cent increase to £26.1m (£21.4m) before tax.

Operating profits from the service industries division rose to £7.56m (£4.2m), but continuing fierce competition in the transport sector, which builds buses, railway rolling stock and the Metrocab taxi, cut profits to £1.34m (£2.62m).

Group turnover increased to £396m (£363m). Earnings per share rose to 25.1p (22p) and a final dividend of 4.5p is proposed, making 7.7p (7p) for the year.

The extraordinary gain of £1.58m represented the surplus on the sale of Laird's inflight catering business, which more than offset a £7m provision for the possible disposal of Cable Belt, mining equipment subsidiary.

comment

Its best-known products - buses, tube trains, and new London taxis - only account for 3 or 4 per cent of Laird's profits, compared with more than 50 per cent in 1983. Although the group has no intention of living off this high-volume, low-margin business, the real strength lies in rubber and plastic products. The CPIO acquisition thus provides a secure extension of the sector, and three years of guaranteed Renault orders in which Laird can trust for custom among other volume car manufacturers. Meanwhile, the group hopes to expand its sales of sealing to the building industry (now 20 per cent of the division's turnover) which should provide security when the automotive industry's current healthy cycle comes to an end. Analysts expect pre-tax profits of about £38m this year and with Laird apparently back on the rails, a prospective p/e of around 8 looks attractive.

Guthrie up despite currency fluctuations

By Philip Coggan

Guthrie, the industrial conglomerate which returned to the stock market in 1986, increased pre-tax profits by 28 per cent to £23.5m last year despite a 24m knock from adverse currency movements.

Around 78 per cent of Guthrie's operating profits emanated from the US last year - the weaker dollar thus restricted the company's growth in sterling terms. In addition, profits were hit by last year's decline of the Canadian and the Australian dollars against the pound. Measured in local currencies, Guthrie's turnover rose by 17 per cent in 1987, measured in sterling, it fell slightly to £219.2m (£233.1m).

The group divides its business into six sectors of which the best performing was electrical equipment. The division nearly doubled profits (from £1.38m to £2.72m) because of a turnaround in its Ajax subsidiary.

Other divisional operating profits were: automotive components £5.61m (£5.38m); aviation services £5.97m (£5.25m); fire protection equipment £3.68m (£2.72m); textiles and floor coverings £3.48m (£3.53m) and trading £230,000 (£470,000).

A final dividend of 3.9p is proposed, making a total of 6.3p for the year.

comment

These figures illustrate that the translation effect of foreign exchange movements can obscure the real progress a company is making. Guthrie is not a UK company exporting to the US; it has not lost any business because of currency movements. Indeed in local currency terms, Guthrie would have reported a 50 per cent pre-tax profit increase. That means that any rebound in the dollar will have a substantial effect on Guthrie's profits this year. Analysts are forecasting £25.5-£26m, assuming a end year rate of £1.95/\$. Even a move to £1.60 would add a further £2.5m to that figure and reduce the prospective p/e on yesterday's closing share price of 194p from 8.5 to 7.5. In the long term, the ragbag nature of Guthrie's various sectors may limit the pace at which it can grow; but in the short term, the shares look a good bet on signs of a dollar rebound.

Scottish Heritable makes £10m

BY FIONA THOMPSON

Scottish Heritable Trust, the York-based industrial and property group with interests ranging from oriental carpets through pyrotechnics to modular housing, increased 1987 profits by 61 per cent to £10m.

The advance from £6.2m was made on turnover ahead by 26 per cent to £88.1m (£69.72m). Earnings per share rose from 15.2p to 17.7p.

Seven of the nine divisions were profitable, two made losses. But Mr A Cochrane Duncan, chairman, said: "The solid performance of the group as a whole demonstrates the advantages of diversified activities: the adverse performance of our textile and pyrotechnic divisions has been balanced by the success of our expanded interests in the US."

By division, floorcoverings made the largest contribution to profits at £3.49m, up from £3.17m,

followed by US building at £3.2m - the contribution made by the US acquisition Haven Homes and its associate company North American Housing Corporation, both builders of modular housing.

Pyrotechnics made a £463,000 loss, compared with a £727,000 profit last time, mainly due to more problems than anticipated with the acquisition of Brock's Fireworks. Textiles fell from a £229,000 profit into a £453,000 loss, due to bad spring sales, a substantial drop in orders from Damart, the biggest US customer and the acquisition of the loss-making JG Glover business.

Property and investment sales contributed profits of £2.05m (£1.42m), while rents made £756,000 (£616,000). Engineering profits increased marginally from £350,000 to £381,000 - held back by a sharp cut in the number of hos-

pital beds purchased for the National Health Service. UK building and quarrying rose from £221,000 to £1.43m following a buoyant year for the construction industry. Contract packing and other activities contributed £169,000, compared with a £15,000 loss last time.

The company, pleased with its US success, is looking at further acquisitions there and an announcement may be made in the not too distant future. More acquisitions are also being sought in the UK, although, after a number of smaller purchases, the company is keen to make a sizeable acquisition. On the disposal side, it is looking for a buyer for its sand and gravel business.

Tax took £3.55m (£2.05m). A final dividend of 3p was recommended, making a total for the year of 5p (4p).

Clifford's Dairies up to over £5m

Clifford's Dairies, Berkshire-based processor and distributor of milk and fruit juices, lifted taxable profits from £4.52m to £5.03m in the year to end-December, on turnover ahead by 16 per cent to £108.6m.

The directors said that the exchange of trade with Express Dairy, announced in June, had resulted in a slight increase in milk volumes, while fruit juice sales had also expanded. Roy's Cooked Meats, acquired last August for £4.5m in cash and shares, had "an encouraging five months trading."

After tax of £1.83m (£1.76m), earnings per share increased to 20.2p (19.53p). A final dividend of 5.5p is recommended, making 8.3p (8p) for the year.

Belhaven posts profits of £6.9m for nine months

BY LISA WOOD

Belhaven, Dunbar-based brewing and restaurant company, produced pre-tax profits of £6.9m for the nine months to December 31, 1987.

Earnings came to 2.56p and a final dividend of 0.3p makes 0.75p.

The year-end has been changed from March 31. In the previous 12 months the profit was £5.96m, earnings 2.41p and dividend 0.83p. Sales totalled £42.78m (£45.56m) and operating profit £6.36m (£5.94m).

Belhaven Brewery contributed £214,000 (£1.63m) of operating profit and the 94 Garfunkels Restaurants made £5.5m (£4.48m). Since the year-end another

three restaurants have been opened.

Other activities, including the Hotel Belhays in Torremolinos, contributed £497,000 (£117,000). Group operating costs came to £533,000 (£277,000). Exceptional costs of £96,000 (£224,000) were deducted in arriving at the pre-tax profit. They applied to the Belhaven Brewery product launch.

The directors said since the introduction of canned lager and export and the repackaging of the bottled beers on June 1 last, sales of packaged beers increased 51 per cent compared with the same period of 1986.

Belhaven had started to develop a managed house estate.

Estates & General

A 74 per cent increase in pre-tax profits was announced by Estates & General Investments, property investor and developer, for 1987. The result, ahead from £1.59m to £2.71m, was struck after a £794,000 exceptional profit on the disposal of Site Improvements house building division.

A final dividend of 2p (1.825p) is recommended, making a total for the year of 3p (2.725p). Earnings per 20p share rose from 6.1p to 11.5p, or to 8.3p excluding the exceptional item.

Turnover showed a 62 per cent improvement to £13.15m (£8.13m).

On prospects, the directors said the level of activity continued to increase. Net asset value per share improved by 25 per cent to 198p at December 31.

Frederick Cooper

Frederick Cooper, acquisitive industrial holding company, raised pre-tax profits by 35 per cent in the six months to January 31 from £1.72m to £2.38m on turnover ahead from £17.76m to £20.71m.

Mr Eddie Kirk, chairman, said that as a result of the 34 per cent growth in earnings per share to 7.56p, the interim dividend would be 1.1p per 10p ordinary share, the highest interim payment in the group's history.

Contributions from MAP Hardware (five months) and Brent Group (six weeks) amounted to £70,000, which Mr Kirk said indicated underlying organic growth of 31.6 per cent.

H. Young up midway

H. Young Holdings, distribution and financial services group, reported pre-tax profits 30 per cent higher at £951,000 for the six months to end-January 1988.

Mr John Wilson, chairman, said the group intended to further develop its distribution activities and was currently examining possible acquisitions.

Turnover rose to £9.32m (£9.19m). After tax of £383,000 (£255,000), earnings per share increased to 6.7p against 6.4p last time.

The interim dividend is lifted to 1.4p (1.3p).

IN 1987
SCHRODERS
ADVISED ON MORE
MERGERS AND
ACQUISITIONS WITHIN
THE UK THAN
ANY OTHER BANK.

*By value - Source: Financial Times Business Information, Mergers and Acquisitions, January 1988



Financial Advisers to UK Companies Acquiring in the US
1987 M & A League Table
Ranked by the number of deals.

Financial Advisers	No. of deals
1 Hill Samuel	13
2 Morgan Grenfell	12
3 SG Warburg	10
4 Schroders	9
5 First Boston	8

... Acquisitions Monthly, March 1988

Some things don't change

Like everyone else in the City, we have been through a period of unprecedented change in recent months.

But behind the headlines, life for our M and A team remained the same in one important respect.

As the March issue of Acquisitions Monthly reveals, we continue to act on more US deals than any other merchant bank in the UK.



HILL SAMUEL & CO. LIMITED
Number one with clients



UTC Group plc

Profits up 105%
Earnings per share up 50%

Summary of 1987 results	£000's	
	1987	1986
Turnover	17,484	14,153
Profits before taxation	3,016	1,468
Earnings per share	15.8p	10.3p
Dividends per share	8.0p	nil

"We believe that the Group is able to view the future with great confidence"

JOHN L. VINCENT, Chairman

Principal Subsidiaries and Associates

- UNITED TRUST & CREDIT PLC Issuing House & Corporate Finance
- UTC SECURITIES PLC (93%) Stockbroker
- UTC INSURANCE SERVICES LTD Insurance Services
- PROPERTY & PROFESSIONAL SERVICES LTD Surveyors & Valuers
- CORPORATE ESTATES PROPERTIES PLC (25%) Property Company

UTC Group plc

1987 Annual Report and Accounts available from The Secretary, UTC Group plc, 55 Grosvenor Street, London W1X 9DA.

Handwritten note: "لا بد من الحيلة"



STEELEY

PRELIMINARY RESULTS FOR 1987

**TURNOVER UP 16%
PROFIT BEFORE TAX UP 36%
EARNINGS PER SHARE UP 37%**

	1987	1986
Profit before tax	£68.3M	£44.3M
Net earnings per share	38.8p	27.7p
Dividend	9.25p	7.75p

The year 1987 has been a period of significant progress both in terms of increased profits and the focusing of the Group on the business of construction materials. The current year has started well, we have a well-founded confidence, and expect to have another successful year.

David L. Donne, Chairman

- BRICKS AND TILES
- AGGREGATES
- CONCRETE PRODUCTS
- READY MIXED CONCRETE
- ASSOCIATED ACTIVITIES

STEELEY PLC

IF YOU WOULD LIKE A COPY OF THE STEELEY ANNUAL REPORT, PLEASE CONTACT: JOHN A BOWER, COMPANY SECRETARY, PO BOX 53, BROWNSOVER ROAD, RUGBY, WARCS, CV21 2UT.

BUSINESS LAW

Limits of artificial intelligence

By A.H. Hermann, Legal Correspondent

WHITING about the Latent Damage Act (Business Law, August 21) shortly before it came into force, I said that it was a statute which solved nothing or only very little. It soon became evident that I had been uncharacteristically kind.

The new Act only added to the confusion of the previous law which each of the eminent Law Lords seemed to interpret differently. As a result, architects, builders and their clients were kept guessing about their liability for negligence, the effect of which became evident many years after the building had been completed and taken over. Because of time limitation on actions for damages, owners soon lost legal rights to compensation before they discovered that they had them.

The 1986 Act gave house owners another three years from the date when they discovered the damage in which to claim and varied rules (introducing a range of overlapping and inter-related time periods) . . . The Act cannot be understood without extensive knowledge of other relevant pieces of legislation and case law.

Professor Capper, who has worked as a IBM programme writer, must have had in mind the frequent sighs of English judges wishing for a computer to guide them through the statute law. When he met Dr Richard Susskind, an artificial intelligence expert with a Scottish law background, the penny dropped. They put their expertise together and produced a computer programme to solve the mysteries of the latent damage law. The disk carrying the programme will be enclosed with this book, Latent Damage Law - The Expert System, to be published by Butterworths shortly. The research for this work has been backed by Ernst & Whinney, the international accountants, and they seem to see a future in similar expert systems. Judges to appreciate the importance of legal principles not only for justice but

also for the clarity and consistency of the law. The majority were brain-washed into believing that it is the twists that matter, and that law is necessarily beyond the comprehension of the layman.

Even Shakespeare fell into the trap: no shrewd merchant of Venice would have dreamed of making an obviously invalid contract; and if he was so out of his mind to claim a portion of flesh as a contractual penalty, there would have been no need for Fortia's defensive twist. In civil law countries the court is supposed to know the law and contracts which are *contra bonos mores* are invalid from the very beginning.

The view of law as a web of twists and no principle led judges to favour literal interpretation - and this in turn has led to statutes which do not state the intent of parliament and try to provide for every situation. It makes them too long and unintelligible - and fails to provide for every situation as many cannot be foreseen. The English statutes are about two to five times as long as corresponding French, German or Swedish statutes and infinitely less meaningful.

Prof R.M. Goode of Queen Mary College, University of London, a leading expert in English commercial law, wrote: "All too often our statutes are drafted in turgid and impenetrable prose which leaves the reader unable, without detailed study, even to get a general idea of what is intended."

It has not always been like this. Sir Henry Thrington who was the first to hold the office of Parliamentary Counsel, instructed the statute draftsmen in 1902 thus: ". . . (the) principle must be enunciated in its most concise form at the very outset of the Act, either in one section or in two or more consecutive sections, as the subject may require." How far did we get from that? The present-day parliamentary draftsmen seem to be proud of the unintelligibility which, in the words of Sir John Rowland, one of their number, they believe to be "in inverse proportion to (the statute's) chance of being right".

It is a common experience that only a complete mastery of his subject enables the writer to communicate it simply and clearly. The obscurity of English legislative drafting may be due to the fact that the striving for certainty - rarely achieved - as to the draftsman's unfamiliarity with the subject. Such unfamiliarity is often unavoidable if draftsmen are separated from the departments initiating legislation and isolated in a small group given the monopoly of statutory drafting.

There seems to be a good deal of tension between the "instructing" expert and the parliamentary draftsman. At best, in the words of Mr R.T. Cotton, who recently described his experience as member of the Law Commission's staff, the expert feels as if he was operating by remote control a pair of mechanical hands which fail to pick up the materials, keep dropping them, or mix them wrongly, and is frustrated when the product is "so abstract that you have to know what (the Parliamentary Counsel) is trying to say before you even begin to see that he may be saying it."

Sir William Dale, an authority on legislative drafting, suggested that drafting should be de-professionalised to introduce intelligibility and more of the common touch. But there would be no need to introduce intelligibility if the drafting was left to departmental lawyers who work side by side with the experts, under the same minister, and have no need to defend a priestly monopoly by weaving a web of mystery around it.

The drafting of new statutes could be not only more intelligible but also much better if taken out of the hands of expert draftsmen and left to experts in the relevant field of law, attached to the departments initiating the legislation, whose work could be co-ordinated by a legislative division in the Lord Chancellor's Department.

Expert computer systems, like that developed by Professor Capper and Dr Susskind for latent damage, could help a little to unravel the backlog of obscure law. But neither expert lawyers nor expert systems can provide a real and lasting remedy by themselves. That can only be brought about by codification of law. Work on the codification of criminal law is in hand. Codification of business law - not of commercial law in the narrow sense alone - is needed as much, if not more. The Law Commission should be allowed to do it - and given means to do it; it is now pitifully underfunded.

¹ held by *Celtus, Libri Digestorum*, 1.3.17
² *FT Feb 23 1984*, p 9
³ *H.S. Kent, In on the Act*, p 97

Company Notices

ROBEKO NV

ANNUAL GENERAL MEETING OF SHAREHOLDERS to be held on Tuesday, 12th April, 1988, at "De Doelen", Schouwburgplein 20, Rotterdam, at 11.30 a.m.

- AGENDA
1. To receive and adopt the Report of the Managing Director for the financial year 1987.
 2. To receive and adopt the Annual Accounts for the financial year 1987.
 3. To determine the appropriation of the profit.
 4. To propose the Board of Supervisory Directors.

The Board of Supervisory Directors consists of: Mr S. van der Meer, H.J.E. van den Berg, W. Schouten, J.-Ch. Veltrop and H.J. Witterman will retire by rotation.

It will be proposed to re-appoint them.

It will be proposed to appoint Mr J. van der Meer, H.J.E. van den Berg, W. Schouten, J.-Ch. Veltrop and H.J. Witterman as the new Board of Supervisory Directors.

Any other business.

ROLINCO NV

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Any other business.

RORENTO NV

ANNUAL GENERAL MEETING OF SHAREHOLDERS to be held on Tuesday, 12th April, 1988, at "De Doelen", Schouwburgplein 20, Rotterdam, at 11.30 a.m.

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Any other business.

THE ROYAL BANK OF CANADA

US\$350,000,000
Floating Rate Substrate
due 2988

In accordance with the terms and conditions of the Debentures, the interest rate for the period 31st March 1988 to 29th April 1988 has been fixed at 8% per cent per annum. On 29th April, interest of US\$6,588,194 per US\$1,000 nominal amount of the debentures will be due for payment. The rate of interest for the period commencing 29th April 1988 will be determined on 27th April 1988.

ORION ROYAL BANK LIMITED
Agent Bank and Principal Paying Agent

Public Notices

IN THE MATTER OF THE COMPANIES ACT 1985 and IN THE MATTER OF SANDWELL COPIERS LTD

NOTICE IS HEREBY GIVEN pursuant to Section 894 of the Companies Act, 1985 that a General Meeting of the Members of the above named Company will be held at 1, Watlington Place, Curzon Lane, London SW9 6AJ on Wednesday 29th April 1988 at 2.30 p.m. to be followed by a General Meeting of the Creditors for the purpose of the winding-up of the Company. The agenda and details of the conduct of the winding-up are as follows:

Dated this 23rd day of March 1988
BRIAN HILL
LIQUIDATOR

Holidays & Travel

Come and be Proud
Of our heritage at Taylor House Hotel, Maidenhead. Just 30 minutes from London, near Windsor, Westwood banks and conditions with traditional Sunday Lunch.

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HENLEY ROYAL REGATTA

29th June-3rd July 1988
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March 1988
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SGS-THOMSON Microelectronics B.V.
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WORLD BANKING

The Financial Times proposes to publish this survey on:
18 MAY 1988

For a full editorial synopsis and advertisement details, please contact:
KAY CRELLIN
on 01-248 8000 ext 3230

or write to her at:
Bracken House
10 Cannon Street
London EC4P 4BY

REPUBLIC OF ITALY
ECU 200,000,000
Floating Rate Notes due 1992

In accordance with the terms and conditions of the Notes, notice is hereby given that for the 3 months period from March 30, 1988 to June 30, 1988, the Notes will carry an interest of 6.5% per annum. The relevant interest payment date will be June 30, 1988 and the coupon amount per ECU 100,000 nominal will be ECU 6.53 and per ECU 100,000 nominal will be 1,693.06.

Banque Generale De Luxembourg
Societe Anonyme
Agent Bank

Crédit Foncier de France

ECU-denominated Floating Rate Notes due 1995 resulting from the exercise of Warrants attached to US\$ 200,000,000 Floating Rate Notes due 1995

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from March 29, 1988 to June 29, 1988 the Notes will carry an interest rate of 6.5% per annum.

The interest payable on the relevant interest payment date, June 29, 1988 will be ECU 16.93 per ECU 1,000 principal amount.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers but still nervous

THE DOLLAR recovered in London from levels touched in the Far East, as the threat of central bank intervention encouraged investors to cover short positions.

STERLING-Trading range against the dollar in 1987/88 is 1.9875 to 1.4710. February average 1.7688. Exchange rate index rose to 77.7 from 77.4 at the opening and 77.1 on Monday.

against the dollar in 1987/88 is 1.9875 to 1.4710. February average 1.7688. Exchange rate index rose to 77.7 from 77.4 at the opening and 77.1 on Monday.

FINANCIAL FUTURES

Busy doing nothing

IT WAS a day of very quiet trading on Liffe, where the market appeared to be looking for an excuse not to get things wrong.

Mr Nigel Lawson, the UK Chancellor, played a major part in the market's philosophy, during an otherwise dull day.

Discount, said there is a chance the market is being lured into a classic bear trap, similar to that sprung in January.

£ IN NEW YORK

Table with columns: Mar 29, Last, Premium. Rows for Cable, 1 month, 3 months, 6 months, 9 months, 12 months.

STERLING INDEX

Table with columns: Mar 29, Mar 28, Premium. Rows for 8.50, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00.

CURRENCY RATES

Table with columns: Mar 29, Bank, Standard, European. Rows for Australia, Canada, Hong Kong, etc.

CURRENCY MOVEMENTS

Table with columns: Mar 29, Bank of England, Movement. Rows for Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Mar 29, £, \$, DM, Yen, F.Fr., S.Fr., H.Fl., Lira, C.S., B.P. Rows for Argentina, Australia, Brazil, etc.

MONEY MARKETS

Overnight bill pact

THERE WAS little overall change in interest rates on the London money market yesterday, but the stronger pound gave a slightly easier tone to the longer periods.

further £340m bills were purchased, for resale to the market today, at 8 1/2 p.c.

Another £24m bills were bought before lunch by the Bank of England, including £26m bank bills outright in band 1 at 8 1/2 p.c.

FT LONDON INTERBANK FIXING

Table with columns: 01.00 a.m. Mar 29, 3 months US Dollars, 6 months US Dollars. Rows for 1M, 3M, 6M.

MONEY RATES

Table with columns: NEW YORK, Treasury Bills and Bonds, 1 month, 3 months, 6 months, 12 months.

LONDON MONEY RATES

Table with columns: Mar 29, Overnight, 7 Day, 1 Month, 3 Months, 6 Months, 12 Months.

Money rates fell overnight 8 1/2 p.c. to 8 1/2 p.c. for 1 month bills, 8 1/2 p.c. for 3 month bills, 8 1/2 p.c. for 6 month bills, 8 1/2 p.c. for 12 month bills.

THE CORPORATE INVESTOR'S PHONE CHECK LIST. When investing your company funds, you shouldn't accept the first rate you're quoted.

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I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0DD. Tel: 01-828 7233/5699.

INVITATION addressed to the Shareholders and Holders of Participation Certificates (in the following 'Raiffeisen-Vermögensanteile') to attend the ORDINARY GENERAL MEETING.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, and Stock prices for various European options.

BASE LENDING RATES

Table listing base lending rates for various banks and currencies, including UK, US, and other international rates.

AUTHORISED UNIT TRUSTS

Large table listing numerous authorized unit trusts, including names, managers, and performance metrics.

Advertisement for Finstat, a financial data service, with the slogan 'When prices matter - Finstat delivers the FT prices online, Unit Trusts, Equities, Gilts, Indices, Daily to your desktop computer.'

FT Crossword No. 6,594 by Vixen, featuring a crossword puzzle grid and a list of clues.

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FT UNIT TRUST INFORMATION SERVICE

Company Name	Code	Value	Change	Company Name	Code	Value	Change
Prudential Assurance Co Ltd	067239943	...	...	Prudential Assurance Co Ltd	01-0033222	...	...
Prudential Assurance Co Ltd	01-0033222	...	...	Prudential Assurance Co Ltd	01-0033222	...	...
Prudential Assurance Co Ltd	01-0033222	Prudential Assurance Co Ltd	01-0033222

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES



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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Handwritten note: "Jolly, in 1988"

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Investment Objective, and other details.

Table of LONDON SHARE SERVICE, including sections for BRITISH FUNDS, FOREIGN BONDS & RAILS, AMERICANS, INT. BANK AND O'SEAS GOVT STERLING ISSUES, and CORPORATION LOANS.

Table of Money Market Trust Funds and Money Market Bank Accounts, listing various financial products and their details.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as American Express, American International, and American Overseas, with columns for stock price and other financial data.

CANADIANS

Table listing Canadian companies such as Canadian National, Canadian Pacific, and Canadian Tire, with columns for stock price and other financial data.

BANKS, HP & LEASING

Table listing financial institutions and leasing companies such as Bank of America, Citicorp, and Finance Trust, with columns for stock price and other financial data.

BEERS, WINES & SPIRITS

Table listing beverage companies such as Anheuser-Busch, Heineken, and Interbrew, with columns for stock price and other financial data.

BUILDING, TIMBER, ROADS

Table listing construction and infrastructure companies such as Bechtel, Fluor Daniel, and Parsons Brinckerhoff, with columns for stock price and other financial data.

BUILDING, TIMBER, ROADS

Table listing construction and infrastructure companies such as Bechtel, Fluor Daniel, and Parsons Brinckerhoff, with columns for stock price and other financial data.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies such as BASF, Dow Chemical, and Eastman Chemical, with columns for stock price and other financial data.

DRAPERY AND STORES

Table listing retail and drapery companies such as Debenhams, Debenhams Group, and Debenhams Retail, with columns for stock price and other financial data.

BUILDING, TIMBER, ROADS

Table listing construction and infrastructure companies such as Bechtel, Fluor Daniel, and Parsons Brinckerhoff, with columns for stock price and other financial data.

DRAPERY AND STORES - Contd

Table listing drapery and retail companies such as Debenhams, Debenhams Group, and Debenhams Retail, with columns for stock price and other financial data.

ELECTRICALS

Table listing electrical companies such as British Telecom, British Telecommunications, and British Telecom Group, with columns for stock price and other financial data.

DRAPERY AND STORES

Table listing drapery and retail companies such as Debenhams, Debenhams Group, and Debenhams Retail, with columns for stock price and other financial data.

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ENGINEERING - Contd

Table listing engineering companies such as Balfour Beatty, Balfour Beatty Group, and Balfour Beatty International, with columns for stock price and other financial data.

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INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies such as British Airways, British Airways Group, and British Airways International, with columns for stock price and other financial data.

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LONDON SHARE SERVICE

Handwritten note: 1000000

INSURANCES - Contd. Table listing insurance companies and their share prices.

PAPER, PRINTING, ADVERTISING - Contd. Table listing companies in the paper and advertising sectors.

TEXTILES - Contd. Table listing textile companies.

TRUSTS, FINANCE, LAND - Contd. Table listing trusts, finance, and land companies.

OIL AND GAS - Contd. Table listing oil and gas companies.

MINES - Contd. Table listing mining companies.

LEISURE Table listing leisure companies.

PROPERTY Table listing property companies.

TOBACCO Table listing tobacco companies.

TRUSTS, FINANCE, LAND Table listing trusts, finance, and land companies.

OVERSEAS TRADERS Table listing overseas traders.

PLANTATIONS Table listing plantation companies.

MOTORS, AIRCRAFT TRADES Table listing motor and aircraft trade companies.

Commercial Vehicles Table listing commercial vehicle companies.

Components Table listing component companies.

Garages and Distributors Table listing garage and distributor companies.

NEWSPAPERS, PUBLISHERS Table listing newspaper and publisher companies.

PAPER, PRINTING, ADVERTISING Table listing paper, printing, and advertising companies.

SHIPPING Table listing shipping companies.

SHOES AND LEATHER Table listing shoes and leather companies.

SOUTH AFRICANS Table listing South African companies.

TEXTILES Table listing textile companies.

Regional and Irish Stocks Table listing regional and Irish stocks.

Traditional Options Table listing traditional options.

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Stock Exchange listing classification is indicated to the right of security names: Alpha, Beta, Gamma, Delta, Epsilon, Zeta, Eta, Theta, Iota, Kappa, Lambda, Mu, Nu, Xi, Omicron, Pi, Rho, Sigma, Tau, Upsilon, Phi, Chi, Psi, Omega. Includes notes on high and low market prices, dividend payments, and other financial details.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks with columns for company name, price, and other metrics.

TRADITIONAL OPTIONS

Table listing traditional options with columns for option name, price, and other metrics.

A selection of options traded is given on the London Stock Exchange Report Page.

LONDON STOCK EXCHANGE

Dollar firmness prompts technical rally in leading equities and Gilts extend gains

Account Dealing Dates table with columns for Order, Delivery, and Account dates from Mar 21 to Mar 29.

A FIRMER PERFORMANCE by the US dollar, together with the overnight improvements in the New York and Tokyo equity markets, brought a welcome rally in UK stocks yesterday.

analysts following the Rover deal. Rover, with nearly all the equity in State hands, fell 10 to 65p.

FINANCIAL TIMES STOCK INDICES table showing various indices like Government Sec, Fixed Interest, Ordinary, Gold Mines, etc., with columns for Mar 29, Mar 28, Mar 25, Mar 24, Mar 23, Year Ago, and High/Low.

There were few other strong features in the market, however, and there was a technical flavour to the equity recovery. Some of this week's share trades have been seen as tax loss deals, where stock is sold and often repurchased in the following session.

At Chese Manhattan, Mr Brian Newman, aerospace specialist, said the details confirm his view that Aerospace has struck 'the deal of the decade'.

falling to match analysts' best estimates, before late support held the price virtually unchanged at 257p. Elsewhere, BMC firmed up to 475p ahead of the preliminary results due on April 13.

FT - ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Index No., Day's Change, Est. Earnings, Gross Div., P/E, and Index No. for various sectors like Building Materials, Electronics, etc.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various fixed interest instruments like British Government, 5 years, 10 years, etc.

10 year Preference 88.61 -0.12 88.71

LONDON TRADED OPTIONS

Table showing CALLS and PUTS for various stocks like Anglo, BHP, etc., with columns for Index, Apr, May, Jun, Jul, Aug, Sep, Oct.

NEW HIGHS AND LOWS FOR 1987/88

Table listing new highs and lows for various companies like Anglo, BHP, etc., with columns for Stock, High, Low, and Date.

14 to 30p and Sheraton Securities rallied 3 to 73p.

Among Textiles, High Mackay advanced to 30p before falling back to close 5 cheaper on balance following news that Allied Textile had increased its holding further in the company to just over 28.8 per cent.

Traditional Options

- First dealings Mar 28
Last dealings Apr 15
Last declarations June 30
For Settlement July 11

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various major stocks like Anglo, BHP, etc., with columns for Stock, Volume, and Stock, Volume.

RISES AND FALLS YESTERDAY

Table showing rises and falls for various categories like British Funds, Corporations, etc., with columns for Rises, Falls, and Same.

LONDON RECENT ISSUES

Table listing recent issues of stocks with columns for Issue No., Date, Price, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue No., Date, Price, etc.

"RIGHTS" OFFERS

Table listing rights offers for various companies with columns for Issue No., Date, Price, etc.

Subscription data usually set by issuing firm of company's Annual Report. Figures based on prospectus unless otherwise stated.

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WORLD STOCK MARKETS

Table of World Stock Markets including sections for Austria, Germany, Netherlands, Sweden, and Switzerland. Each section lists various stock indices and their values.

Table of World Stock Markets including sections for Japan, Australia, and South Africa. Each section lists various stock indices and their values.

CANADA

Table of Canadian Stock Markets including Toronto Prices at 2:30pm on March 29. Lists various Canadian stocks and their prices.

OVER-THE-COUNTER

Table of Over-the-Counter market prices, including Nasdaq national market, 3pm prices. Lists various OTC stocks and their prices.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table of Chief London Price Changes Yesterday, listing price changes for various commodities and currencies.

TOKYO - Most Active Stocks

Table of Tokyo Most Active Stocks, listing the most traded stocks in Tokyo on Tuesday, March 29, 1988.

INDICES

Table of Indices, including New York Dow Jones, Australia, Germany, Japan, and other regional indices.

Advertisement for F.T. magazine, featuring the headline 'Have your F.T. hand delivered in The Netherlands' and '12 FREE ISSUES'.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month										12 Month										12 Month										12 Month									
High	Low	Stock	Chg.	Vol.	P/E	52 Wk High	52 Wk Low	Open	Close	High	Low	Stock	Chg.	Vol.	P/E	52 Wk High	52 Wk Low	Open	Close	High	Low	Stock	Chg.	Vol.	P/E	52 Wk High	52 Wk Low	Open	Close	High	Low	Stock	Chg.	Vol.	P/E	52 Wk High	52 Wk Low	Open	Close
25 1/2	24	AAFC	+1/4	100	100	100	100	100	100	25 1/2	24	AAFC	+1/4	100	100	100	100	100	100	25 1/2	24	AAFC	+1/4	100	100	100	100	100	100	25 1/2	24	AAFC	+1/4	100	100	100	100	100	100
25 1/2	24	AAFC	+1/4	100	100	100	100	100	100	25 1/2	24	AAFC	+1/4	100	100	100	100	100	100	25 1/2	24	AAFC	+1/4	100	100	100	100	100	100	25 1/2	24	AAFC	+1/4	100	100	100	100	100	100

Continued on Page 45

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, High, Low, and Change. Includes sub-sections for Continued from Page 44 and various stock listings.

Table of AMEX Composite Closing Prices. Columns include Stock, High, Low, and Change. Includes sub-sections for Continued from Page 44 and various stock listings.

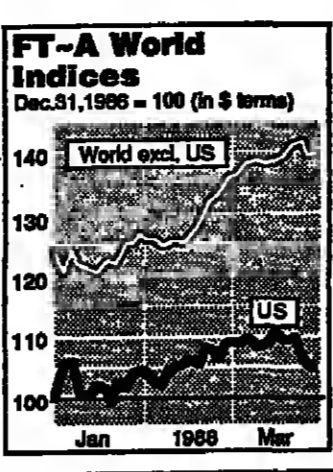
OVER-THE-COUNTER Nasdaq national market, 3pm prices

Table of Over-the-Counter prices. Columns include Stock, High, Low, and Change. Includes sub-sections for various stock listings.

Advertisement for Athens Financial Times. Text: 'Have your F.T. hand delivered... at no extra charge, if you work in the business centre of ATHENS'. Includes contact information for Hellenic Distribution Agency.

AMERICA Steadier dollar encourages Dow to edge past 2,000

Wall Street THE STEADYING of the dollar in Japan encouraged an early recovery in Wall Street stock prices...



Canada GOLD ISSUES and industrial led advancing stocks in the Toronto market, which posted a gain in midday trading...

EUROPE Bourses boosted by bargain-hunting

London STRONG demand for British Aerospace shares helped boost a market already cheered by previous improvements in New York and Tokyo...

Courts case rouses Vienna THE VIENNA Stock Exchange has been enjoying a brief reprieve from months of sluggish trading...

ASIA High-tech issues lead Nikkei surge

Tokyo KEEN buying pushed Tokyo share prices back to pre-crash levels again yesterday amid strong demand for high-technology stocks...

Hong Kong LOCAL investor demand helped push share prices higher, with sentiment aided by gains in Tokyo and pared losses in New York...

India acts as prices hit two-year low

BOMBAY'S stock market has tightened restrictions on margin selling for the second time in two weeks after a fall in share prices to a two-year low...

Australia

THE STRONG gains in Tokyo and renewed stability on Wall Street injected a note of confidence and led to a 15.4 rise in the All Ordinaries index...

SOUTH AFRICA

A FIRM bullion price helped push up most Johannesburg gold stocks after Monday's small losses...

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for National and Regional Markets, Monday March 28 1988, Friday March 25 1988, and Dollar Index. Rows list various countries and their stock indices.

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AMGOLD advertisement featuring the text 'The long history of this unique metal demonstrates a tenacious trust in its ultimate value' and 'A decline in fabrication demand, to a greater extent in coins than in jewellery...'.